FBIS DAILY REPORT

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ELECTION RESULTS SHOW BROAD UCR SUPPORT

PY051702 Buenos Aires DYN in Spanish 1035 GMT 5 Nov 85

[Text] Buenos Aires, 5 Nov (DYN) -- As the nearly final results of last Sunday's elections continue to come in, the Radical Civic Union [UCR] appears to have obtained a significant victory that will enable it to increase its influence in the Chamber of Deputies by one congressman and obtain control over some provincial legislatures that could give the Radical government greater maneuvering room in the National Senate. Despite the fact that the election results reported at the San Martin Cultural Center are only provisional until the National Electoral Court officially finishes the final tally, of which only 600 ballot boxes out of the total of 71,000 throughout the country still remain to be counted, the composition of the Chamber of Deputies is practically outlined.

The Radicals, with 130 new legislators -- including reelected members and others elected for the first time -- increased their advantage over the Justicialists, who have managed to obtain 106 deputies, even if all their different provincial factions are added up together. The Radical's chances of obtaining more seats in the Senate during the 1986 Senate elections have been strengthened. They gained control of some traditionally Peronist provincial legislatures, like in Catamarca and Salta, through alliances forged with provincial movements. The Radicals have encountered serious obstacles in the Senate because they only have 14 senators out of the total of 46. In order to have projects approved, the UCR consistently has had to form alliances with provincial parties. This prospect, together with the fact that the Radicals obtained majorities in other provincial legislatures, like San Luis and La Pampa, improves their chances in the Senate, where the government may start moving more smoothly in 1986 since coming to power in 1983.

However, the most remarkable aspect of Sunday's elections, besides the defeat of Peronism in such traditional bastions as Tucuman, Santiago del Estero, Salta, La Pampa, Chaco, and San Luis Provinces, is the defeat of well-known centrist politicians who do not belong to the UCR, including Francisco Manrique and Rafael Martinez Raymonda, who despite their long political careers could not obtain a seat in the Chamber of Deputies. Manrique obtained third place during the national presidential elections in 1973, and, considering his long career as social and welfare minister and in the retirement field, observers expected that he would win a congressional seat.

However, just as these two candidates were unable to obtain the necessary minimum votes, the most extreme left was also unable to obtain the necessary votes. The extreme left nearly achieved the election of one congressman of the People's Front [Frente del Pueblo], which is an alliance between the Communist Party and the Socialist Movement.

The leftist bloc in Congress remains represented by the Intransigent Party [PI], which increased the number of its legislators but not by the margin its members expected. The rightist bloc in Congress retained its seats and elected one new deputy, Maria Elena Alsogaray, a daughter of former minister and current legislator Alvaro Alsogaray, who will replace Deputy Jose Manny in the federal capital.

Another remarkable aspect of the elections was the crushing defeat of the controversial Buenos Aires Peronist leader Herminio Iglesias, who although obtaining a seat as deputy was defeated by the Peronist Renewal faction of Antonio Cafiero, which obtained 11 deputies against the 3 of Herminio Iglesias. This defeat was worse than the Iglesias faction could ever expect because their closest colleague, Norberto Imbelloni, was not reelected and lost his seat.

Moreover, other unexpected results were the defeats some provincial parties suffered in places where they had never lost before and the decline of support where their parties were ruling in provinces. Such is the case of the Neuquen Popular Movement [Movimiento Popular Neuquino] led by Neuquen Governor Felipe Sapag, and the San Juan Bloc Party [Partido Bloquista de San Juan] led by San Juan Governor Leopoldo Bravo, as well as that of Ramon Saadi, a Peronist who belongs to a family that is known for having conducted Catamarca for decades. Only Peronist Carlos Saul Menem of La Rioja, an admirer of the caudillos, managed to consolidate his position by obtaining 52 percent of the votes in the province. Menem supports the Justicialist Renewal Faction, which managed to win over the orthodox factions in Beunos Aires Province. He has been able to maintain good relations with President Alfonsin during his 2 years as governor.

ALFONSIN WELCOMES PRC PREMIER ZHAO ZIYANG

PY051458 Buenos Aires TELAM in Spanish 1437 GMT 5 Nov 85

[Text] Buenos Aires, 5 Nov (TELAM) -- PRC State Council Premier Zhao Ziyang arrived at the Aeroparque Military Base at 1130 local time today. He was welcomed by Argentine President Raul Alfonsin and other Argentine Government officials, thus starting an official visit that will last until 9 November. The PRC premier arrived at Ezeiza International Airport on a regular flight and together with his entourage boarded the presidential T-01 plane, which took him to the Aeroparque Metropolitan Airport, where he received the official welcome of the Argentine president.

The PRC premier's agenda for today includes a wreath-laying ceremony at the monument to General San Martin in the square bearing the same name, at 1630 local time. This ceremony will be attended by Buenos Aires Mayor Julio Cesar Saguier and Foreign Ministry officials. Zhao Ziyang is also scheduled to pay a courtesy call on President Raul Alfonsin at the Olivos presidential residence. At 2100 local time, the Argentine president will host a banquet for Zhao Ziyang in the main hall of the Buenos Aires municipal building.

Alfonsin, Zhao Praise Relations

PY060214 Buenos Aires TELAM in Spanish 0023 GMT 6 Nov 85

[Text] Buenos Aires, 5 Nov (TELAM) -- President Raul Alfonsin today noted that Argentina and the PRC share points of view regarding the great world problems. He stated that mankind's safety, threatened by a nuclear holocaust, demands our active participation in seeking peace. Tonight President Alfonsin spoke during a dinner party, which the Argentine Government held at the City Hall to honor PRC Premier Zhao Ziyang, who is paying an official visit to our country. The PRC visitor, for his part, voiced the PRC's support for Argentina's determination to peacefully solve border conflicts and its claim for sovereignty over the Malvinas Islands.

During the dinner party, held in the Versailles Hall of the Buenos Aires City Hall, Alfonsin stated that Argentina and the PRC share points of view regarding many of the great problems currently troubling the international community, which is increasingly torn apart by antagonism and lack of solidarity. He said that the safety of mankind, threatened by a nuclear holocaust, violence, and the oppression of vast regions of the earth, demand our active participation in search for peace. Alfonsin stated that for us peace is necessary, from an ethical point of view, because our own survival is at stake, and because our regions need to protect themselves from the conflicts and internal tensions prompted by the confrontation between the two great hegemonic blocs.

Alfonsin mentioned that, in response to the deep-rooted peaceful spirit of our people, we have ended a century-old controversy with Chile. He added that with the same attitude, we have offered to start unrestricted and overall negotiations with the United Kingdom, in order to definitely solve the dispute over the sovereignty of the Malvinas, Sandwich, and South Georgias Archipelago.

After pointing out that our country cannot forget the support the PRC has been granting in these efforts to achieve a peaceful solution to the dispute with the UK, the president went on to refer to the Argentine foreign debt problem. He said it represents a formidable obstacle to the well-being of our people and to the consolidation of our government system within an atmosphere of peace. He noted it is also a clear sign that dangerous distortions in the world monetary system have taken place, and the disproportionate increase of real interest rates in the world and restrictions imposed on international trade also reveal that debtors and creditors share the responsibility for the current situation. Alfonsin stated that the Argentine Government has been insisting on the need for a new international economic order and voiced his pleasure over the fact that this effort, which confronts protectionist policies, is shared by the PRC in a decided and continuous manner. The president said we are aware that our country and the PRC are willing to contribute with will and imagination to facing the future with more confidence. Therefore, the Argentine Republic grants great importance to the cooperation between the two nations in the science and technology field. The president ended by toasting the sincere and lasting friendship between the two countries and the personal well-being of the visiting premier and his retinue.

Zhao Ziyang, for his part, stated in his message that the PRC supports the Argentine Government in its decision to peacefully solve the border conflicts with neighboring countries and voiced the PRC's appreciation of Argentina and Chile for peacefully solving the conflict over the Beagle Channel. He added that, as a consequence, the PRC supports Argentina in its sovereign rights to the Malvinas Islands, on the basis that its claim is just and must be respected by the international community. Zhao Ziyang referred to the bilateral relations the two nations have maintained for the past 13 years, and he noted that despite the great geographical distance between the two countries and the different social systems in their respective countries, they both belong to the Third World. He stated that the two are engaged in the historical mission of developing their own countries, and they share points of view in a number of international issues. After voicing his hopes for rapid progress in the cooperation projects that have been agreed on or that Argentina and the PRC are negotiating, the PRC premier toasted the constant development of cooperative relations between the two countries, the prosperity of Argentina, and the health of President Alfonsin and all others attending the reception.

RIOS ERENU DISCUSSED TRIALS, ELECTIONS

PY052155 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1608 GMT 5 Nov 85

[Text] Buenos Aires, 5 Nov (NA) -- Army Chief of Staff General Hector Rios Erenu today stated that the military career of the officers charged by the government with disturbing public order "depends" on the court's ruling. Rios Erenu reasserted that the decree enacted by the executive branch ordering the arrest of 12 military men and civilians was issued "in accordance with the powers" bestowed upon the government. The Army chief of staff stated that "once the judicial proceedings are over we will have comprehensive and concrete results concerning the actual status" of the officers involved.

In statements for the "Firsthand News" program of Radio Continental, Rios Erenu stressed the Argentines are "fortunately" following, and this fact "was proven last Sunday during the elections, which were held smoothly throughout the country." The Army chief of staff emphasized that "we stated a new era was beginning in Argentina, we wanted to live in a democracy, we wanted to freely exercise our citizens' rights and follow a common path, the path of work, reconciliation, and development."

Rios Erenu said that now he does not have concerns "of any kind" regarding the Army's internal situation. Rios Erenu added that his main goal is "to fulfill my duty as the Army chief of staff and to implement what I said on 5 March when I assumed my post, namely to make our best contributions to the effectiveness of the constitutional system." In conclusion, the Army chief of staff stated that he is unaware of reports that some 400 people have left Argentina fearing that they might be charged with conspiracy after the government enforced the state of siege.

ALFONSIN AUTHORIZES VAGO'S DEPARTURE TO PARAGUAY

PY051603 Buenos Aires TELAM in Spanish 1353 GMT 5 Nov 85

[Text] Buenos Aires, 5 Nov (TELAM) -- An official Interior Ministry spokesman this morning confirmed that President Raul Alfonsin has signed a decree authorizing journalist Jorge Vago's departure. The spokesman confirmed this to a reporter who questioned him on the subject. Vago, who is included in the list of individuals accused by the government of carrying out disruptive activities and who was arrested under Decree 2070, has currently taken asylum at the Paraguayan Embassy in Buenos Aires.

Vago Departs

PY052122 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1650 GMT 5 Nov 85

[Text] Buenos Aires, 5 Nov (NA) -- Journalist Jorge Vago today said that he chose asylum in the Republic of Paraguay because "it is a generous country, known for its hospitality," adding that he will return to Argentina when the state of siege is lifted and "when conditions are appropriate." Vago made these statements shortly before leaving for Asuncion on a regular Paraguayan Airline flight which left Ezeiza International Airport at 1330. Vago, one of the 12 people charged by the executive branch with allegedly disrupting the constitutional order, this morning obtained governmental authorization to leave the country after he took refuge last Friday in the Paraguayan Embassy in Buenos Aires.

In statements to the press at Ezeiza Airport, Vago said that "Paraguay was the first country" he considered going to as soon as he learned that a warrant of arrest has been issued against him by the executive branch. Vago said he is "innocent" of the charges leveled against him and is traveling to the neighboring country "in a sad mood and as soon as he arrives in Paraguay, he will hold a press conference." In conclusion, Vago said that he is traveling alone, and his family is staying in Buenos Aires.

LA PAZ RADIO NOTES CABINET CRISIS RUMORS

PY021830 La Paz Panamericana in Spanish 1700 GMT 2 Nov 85

[Text] Unofficial reports have been circulating in the past few hours of a possible cabinet crisis that will reportedly take place next week. The sources supplying information to Radio Panamericana are keeping the names secret for obvious reasons. Nevertheless, the above-mentioned sources have revealed that in the past few days internal disagreements have cropped up in Paz Estenssoro's cabinet owing to issues related to the sugar industry. It is being said that some ministers in the current cabinet will tender their resignations, thus giving rise to the first crisis faced by the current administration.

In conclusion, the sources supplying information to Radio Panamericana stated that there is a possibility that this difficulty can be overcome and therefore all depends on the internal meetings that are to take place in the next few hours.

Finance Minister Refutes Rumors

PY150227 La Paz Cadena Panamericana in Spanish 0000 GMT 5 Nov 85

[Text] Finance Minister Roberto Gisbert has refuted recent press reports that he had drafted his resignation note. Gisbert said a Cabinet crisis is currently out of the question and stated that no cabinet member could resign at this stage of the government's economic program.

Gisbert also said there has been a great deal of speculation on internal Cabinet disagreements over the sugar policy. In this regard, he said there are differences of opinion within the Cabinet, just like in any party or human organization, but this does not mean there is a division.

Finally, Gisbert said all Cabinet members are arduously working on the implementation of Decree 21,060 and that the economic team is concerned about implementing the salary policy. He added that the reports published by a La Paz morning newspaper on new basic salaries are not official.

ARMED FORCES GIVE 'FULL SUPPORT' TO PRESIDENT

PY060004 La Paz Radio Illimani Network in Spanish 1700 GMT 5 Nov 85

[Excerpts] A strong democratic conviction and full support of the democratic government prevail within the Armed Forces, Defense Minister Luis Fernando Valle Quevedo said todday after meeting with President Victor Paz Estenssoro. Valle also said he had (?briefed) the president on topics related to the Defense Ministry and on a visit he had made to some military garrisons in eastern Bolivia.

Valle announced that meetings and investigations are under way to verify the existence of irregular groups in the country and to report on it to the president of the nation in his capacity as captain general of the Armed Forces.

Commenting on requests made by discharged officers to obtain their reinstatement, Valle said these requests fall under the jurisdiction of the military courts and noted that the list of promotions and new postings will be announced by mid-December.

Asked about some weapons the Armed Forces had loaned to the Bolivian police, Valle said he had no information on the whereabouts of these weapons and noted that the case is being investigated.

[Begin Valle recording] In the past, the Armed Forces had to loan weapons to the Bolivian police so they could accomplish their specific functions. Unfortunately, the Bolivian police have not been equipped with adequate weapons to preserve public order. Thus, the Armed Forces had to loan some weapons to the Bolivian police, but unfortunately we have no information on the whereabouts of these weapons.

The interior minister has been informed of this situation and, together with the Bolivian Police commander, he has been investigating the case and, as soon as the investigation is completed, he will file a report to the Defense Ministry so that we may take the appropriate legal steps to recover the weapons which, I repeat, were given to the police as a loan. [end recording]

GOVERNMENT DISCLOSES BASES FOR DEBT RENEGOTIATION

PY050242 Madrid EFE in Spanish 0919 GMT 3 Nov 85

[By Amanda Davila]

[Text] La Paz, 3 Nov (EFE) -- The government has disclosed the bases for renegotiation of the Bolivian foreign debt. This year servicing of the Bolivian foreign debt's matured capital and interest amounts to $944.2 million. The payment of these commitments represents more than 100 percent of 1985 Bolivian exports which, according to official information, is estimated to amount to $716.7 million.

Finance Minister Roberto Gisbert explained that one of the objectives of the renegotiation is to allow the flow of funds earmarked for production by postponing the payment of capital and interest and establishing the bases for a new loan program. Bolivia wants its creditors to charge fixed interest rates, not usurious interest rates, on those credit lines to be negotiated, such as the debt to the consortium of private banks, the largest creditor the country has.

The document, which was released by the finance minister, asserts that in order to propose renegotiation of the foreign debt, it is necessary to start talks with the IMF, to which a report on the economic situation and proposals of formulas to solve the debt problem must be submitted. During the first stage of meetings, Bolivia would study the proposals of its creditors and their stance regarding the new economic policy. The document goes on to state that, at the same time, it would propose that the World Bank, an expert in handling debt problems, propose solutions to the foreign debt.

The government considers these steps necessary to obtain the financial support for fulfilling the commitments that will stem from the renegotiation itself. According to the government, the main objective of the renegotiation is to reschedule the amortizations in terms that will be compatible with development of the national economy, and renegotiate interest rates at levels that will not make the cost of capital reduce Bolivia's payment capacity.

Moreover, it is requested that renegotiation costs not be detrimental to the national interest, that negotiations with the private banking sector allow a flow of fresh capital that will support the government's efforts to reactivate the national economy, and that international mechanisms, which contribute to obtaining resources to pay the foreign debt, be established.

While the government discloses the strategy to be followed for renegotiation of the foreign debt, the Bolivian workers and political parties of the opposition reject this proposal. The main labor union in the country, the Bolivian Labor Confederation (COB), maintains that the government must not pay the foreign debt because it was contracted by de facto military regimes with the purpose of enriching their accounts in foreign banks. The COB holds that most of the foreign debt has leaked out of the country. In the meantime, mine leaders harshly criticize the negotiations the government is carrying out with its creditors at the cost of the peoples' hunger and the sacrifice of the great majority.

BOLIVIAN METHODISTS DENY SHINING PATH TIES

PY051612 Madrid EFE in Spanish 2313 GMT 3 Nov 85

[By Amanda Davila]

[Excerpt] La Paz, 3 Nov (EFE) -- The Evangelical Methodist Church of Bolivia today denied any ties with the Peruvian Shining Path guerrillas or with any other armed organization. The church called the reports, issued by some authorities and communications media accusing it of conducting subversive work in rural areas parallel with its evangelical work, infamous slanders.

The executive committee of this evangelical church, its grassroots organizations, and the bishop for Bolivia over several days studied the economic, political, and social situation in the country and today issued a document on its findings.

The document states that the harassment against the Evangelical Methodist Church is a result of the church's denunciations of the violation of rights and liberties that have been recorded in the country since approval of the government's economic policy. The document adds that the objective of President Victor Paz Estenssoro's government to curb and reduce hyperinflation through the implementation of its economic policy has created confusion and frustration in several popular sectors.

It says that several acts of violence have been committed against human dignity. These acts of violence have been thoroughly denounced by the press, the Catholic Church, the Human Rights Commission, the Bolivian Labor Confederation, and the Coordinating Board for the Defense of Life and Peace.

1985 BALANCE OF PAYMENTS DEFICIT NEARS $1 BILLION

PY030002 Paris AFP in Spanish 1234 GMT 1 Nov 85

[Text] La Paz, 1 Nov (AFP) -- Bolivia's balance of payments deficit for 1985 is estimated at $924.9 million, the Ministry of Finance reported today. It was also reported that the trade balance would be about $200 million in Bolivia's favor if the foreign debt is kept to about the present amount of nearly $5 billion. Exports were worth about $716 million, while imports amounted to $517 million.

BRIEFS

FISCAL RESERVES REPORTED -- The Finance Ministry has reported that Bolivia's gross fiscal reserves as of 25 October 1985 are $358 million, net reserves are $192.8 million. The gross reserves comprise $226.9 million in foreign currency, $37.8 million in gold, and $93.3 million in other reserves. [Summary] [La Paz Cadena Panamericana in Spanish 0000 GMT 30 Oct 85 PY]

SARNEY ON DEMOCRACY, PROGRESS IN NATIONAL SPEECH

PY060127 Brasilia Domestic Service in Portuguese 2300 GMT 5 Nov 85

[Text of President Jose Sarney's address to the nation from his office in Planalto Palace, Brasilia; date not given -- recorded]

[Text] Here, in my office, these 7 months have been characterized by struggle and challenges. I am not going to make a speech. I have come for a brief chat. I have come to give you good news. It has been a while since I have addressed you. Work has been hard and I have learned that one can convince people more easily by setting an example than through words.

Fate handed me the greatest responsibility a Brazilian politician has ever received. I have tried to fulfill my duty and have not and will not spare effort and sacrifice. However, not everything is a bed of roses. We have a lot of problems, the government has a lot of faults but we can assert that it has come a long way. During these past few months we managed to overcome the worst. Civilian power has been consolidated and freedom reigns in all corners of the country.

I cannot act as a magician and from one day to the next solve what has not been solved in all our history. When I assumed office I was accepted with great reservation. I was neither the opposition candidate [candidato do protest] nor the president that brought hope. However, Brazil now knows that I am the president of responsibility.

My simple way of acting was regarded as shyness and weakness; my prudent manner as hesitation and ambiguity. People predicted chaos and failure but thank God nothing like that happened. The government can be firm without being arrogant, it can govern without [word indistinct] nor threats. A democratic society is a society of co-existence. I do not believe in the Machiavellian formula that the government must intimidate in order to be respected. Throughout my life I have always chosen to be esteemed rather than feared.

I am aware of my historical role as guarantor of stability but there are still huge tasks to be fulfilled. Brazil needs peace and conciliation, which is the great legacy left by Tancredo Neves. Has the government not acted in an austere, simple, unselfish, serious manner, against corruption and struggled to implement decency and efficient methods?

In my speech in July I discussed five issues and referred to freedom, development, social alternatives, cultural identity, sovereignty, and independence; they all are part of a whole. And I want to recall the effort we have made to implement them in the government's joint action. The atmosphere of freedom the country is experiencing has no precedent in Brazilian history. We have safeguarded rights, undertaken a democratic process, and confronted demands, but the government has never engaged in acts of violence.

More than 20 political parties were created within the institutional framework. Whoever wanted to protest and make himself heard had the opportunity to do so. Currently, we are engaged in a campaign to elect mayors. This campaign is being carried out in more than 200 municipal districts, including all capitals, with a total of almost 20 million electors, and the national security districts.

I have thought that the president should not participate in the electoral campaign.

It is true that, as a politician, I desire victory for the candidates supported by the parties making up the Democratic Alliance. However, as the head of the nation, I can by no means use my authority to divide the Alliance.

Our institutions are becoming stronger in an atmosphere of freedom. Freedom nurtures life and brings prospects of a happy life. Our country is going through a privileged time. Everyone knows that he has rights and can exercise them.

Yet freedom has not been limited to the political area. Freedom has also reached the private sector and has strengthened social rights. We ab-lished censorship and eliminated the taboos on movements that were operating clandestinely. Not only did we have the courage to recognize the parties, organizations, and individuals who had been sidelined because of ideological prejudice, but we also integrated them into our political coexistence. Ideas are now discussed, questioned, and debated. Controversy is now a healthy part of our national life. No one is afraid of either thinking or speaking.

I worked for the social sector, giving top priority to the poor and to the fight against starvation and misery. All available government resources are concentrated in that area. We must enact social programs, but they are difficult to implement, they call for human resources, and they need time to reach all those places which must be reached.

The vastness of our territory and the slowness of bureaucracy work against us. However, social programs are under implementation. Programs for nutrition for poorer sectors, breast-feeding, people's nutrition, schoolchildren's breakfasts, the family basket and adult education are underway.

Let us now refer to the cultural sector. The government is aware of the diversity, multiplicity, and dynamics of this sector. Intellectuals, artists, scientists, and technicians are working freely. A cultural renaissance has begún as a result of the debate and the state of rapprochement prevailing in our country.

We are introducing new techniques into the teaching sector. This program will lead to a true educational revolution in Brazil because it will free our country from the slavery of ignorance. It will be a turning point in our history. Up to the very end of our term we will use satellites and the vast resources of computers to modernize Brazilian education.

Before the end of this year I will submit to the national congress a draft law creating functional incentives for the cultural sector. This law will provide an essential set of regulations, which will free our artists from the state's tutelage.

Let us now talk about foreign policy. Everyone knows that Brazil is no longer subservient to any power or a prisoner of minor conflicts. Brazil has taken its own place and is now actively present on the international stage. Last week, the PRC premier repeated the same words of praise I had heard earlier from French President Francois Miterrand on the Brazilian position and presence at the United Nations. Our country is now imposing its weight and is succeeding. This is reflected in our relations with the entire world.

Those committees of international organizations that used to make frequest visits to Brazil to oversee government organizations and set rules have disappeared overnight. Our country has regained control of its future. The idea that the debt is an issue to be dealt with by bankers alone has been displaced, thanks in part to the influence of the Brazilian position. The world has accepted that the debt is a political issue, in conformity with our position.

Finally, sovereignty and independence are no longer hollow words. Today, they are facts. Today Brazil has a different international image. The position of the community of nations testifies to this assertion.

Let us talk about development. I want to state that when I was inaugurated I was told to adopt a recessive formula: We had to stop everything, we had to tighten things, we had to keep salaries low, we had to stop investments. This was an orthodox prescription, a manual followed by statesmen -- we may say, quote, statesmen, unquote.

I turned down the advice. I said no. I heard threats: inflation would rise to 1,000 percent, there would be no growth at all, the country would be destabilized, international banks would reduce loans to Brazil, and Brazilian assets would be impounded abroad. Even so, I said no to all these threats. I was convinced that Brazil would grow. I acted accordingly, and I was right.

We must fight inflation without causing unemployment, disruption, or social uneasiness. I said then: We have to grow and set a goal of 7 percent growth per year. We are now approaching the end of this year, my fellow countrymen. And, today, I am bringing good news to you: We have taken the right course, and our economic growth in 1985 will stand at between 6 and 7 percent -- that is, higher than we envisaged. The Brazilian economy has been reactivated: the worst is behind us. The rate of unemployment dropped 29 percent last month. We now have an all-time low unemployment rate: 1.5 million new jobs have been created. Interest rates have dropped from 22 to 15 percent. Our entire internal debt is based on this rate, which means large savings for the national treasury.

Industrial growth stands at approximately 7 percent. Businesses are having unprecedented sales. Our domestic market is growing and our international reserves are already totaling almost $9 billion.

Inflation, that great monster, is below its 1984 level. The inflation rate is decreasing. The private sector has been reactivated and it now has confidence. Accordingly it has increased its investments. However, we will not refer to production indexes alone. We should also refer to the situation in the social sector. The average real salary of industrial workers grew between 13 and 14 percent in 1985 alone. Our workers earn more and buy more. In 1 year we compensated for more than 50 percent of the accumulated salary deterioration. The minimum salary has been readjusted by the largest rate in the last 24 years. Please take into account that we are no longer speaking about the last 20 years. We went back further than 1964 -- to 1961 -- to compensate for the unjust salary situation of Brazilian workers. These are unquestionable figures.

But all this has not occurred just by chance. It is the result of a difficult political engineering task, which has called for considerable effort and work, and which has been accomplished after dealing with great problems.

You Brazilians who are listening to me, put yourselves in my place and make an evaluation of a man who at 0400 in the morning on 15 March was told that he was to assume the presidency at 0900. I did assume it, with all the problems our country was facing aggravated by the tragedy of Tancredo Neves' death.

Thus far, we have faced over 500 stoppages. I was not given a single truce. But no one should believe I am voicing resentment, because this is my duty and I will fulfill it.

I had to struggle to overcome the land reform crisis. I was censored by several sectors.

However, I had the courage and determination to confront that serious problem under the slogan: "Peace in the land."

I had to govern with heterogeneous forces, with different teams, with the disjointed administrative sector that I inherited. To compensate for all this, I committed all my working capacity, I made the greatest effort I could make, and I resorted to my reserves of faith, obstinacy, and dreams.

But I am happy because all of us are winning and because we overcame pessimism.

Do I have a secret? Yes, I do. It is the people's support. It is the support of 85 percent of the public. This is the source of my strength, of the force that gives me courage to continue to struggle. Brazilians know that I need help and that I will not disappoint the men and women of my fatherland. I can sincerely tell all Brazilians: Thank God, Brazil is on the right course. Brazil will make it. Thank you very much.

PRC'S ZHAO WANTS BRAZIL'S HELP IN DAM BUILDING

PY052240 Rio de Janeiro O GLOBO in Portuguese 4 Nov 85 p 2

[Text] Foz do Iguacu -- PRC Premier Zhao Ziyang said yesterday that his government intends to expand technological and scientific exchange with Brazil aimed at building a large hydroelectric dam in the PRC. This interest was reported during the visit he made to Itaipu. The PRC wants to build a dam even larger than Itaipu on the Yagtze River. This hydroelectric dam, known as the Three Gorges Dam, will generate 14 million kw, 2 million more than Itaipu.

Zhao Ziyang began his visit at 0900 yesterday, accompanied by his official retinue made up of more than 70 people. He was welcomed by Parana Governor Jose Richa and by Itaipu President Ney Braga.

After an audiovisual briefing on the contruction of the dam, the PRC Premier visited the observation terrace and the dam. Zhao Ziyang states that he was fascinated by the size of Itaipu which, in his judgement, is the best evidence of the capacity for technological development of the Brazilian and Latin American people.

Wei Ming, deputy minister of foreign economic relations and trade, has confirmed his country's interest in establishing a technological cooperation agreement in the electric energy sector. According to him, the PRC has the know-how to build small and medium-sized dams, but it does not yet have the technique for enterprises as large as Itaipu.

Jose Richa stated that during his visit to Itaipu, the PRC premier asked several technical questions, expressing great interest in the project. According to Richa, any technological agreement in the energy sector with the PRC would be very important for Brazil because of the PRC Government's intention to build a large hydroelectric dam on the Yangtze River. This dam, called the Three Gorges Dam, will be capable of generating 14 million kw, that is, 2 million kw more than Itaipu. This project is still in the development stage, but Itaipu President Ney Braga believes that Brazil is in a position to supply the technology for its construction.

After the visit to Itaipu, Zhao Ziyang visited Iguazu Falls. Accompanied by Governor Richa, Chen Muhua, adviser for economic affairs, and PRC ambassador to Brazil Tao Dazhao, the PRC premier made a point to walk more than 1 km for a closer look at Iguazu Falls.

At 1305, Zhao Ziyang was honored with a luncheon given by Jose Richa at the Bourbon Hotel in downtown Foz do Iguazu. The menu was very simple: Brazilian fish, steak, mixed salad, and melon and ice-cream for desert. Instead of the traditional coffee, tea was served to the guests after lunch. Governor Richa then gave a picture painted by Erico Silva called "Serrania" to the PRC premier.

In his farewell speech, Zhao Ziyang stated that he was asked whether he preferred Itaipu or the falls. He answered that both are "marvelous" and that they complement each other. He recalled that Itaipu is the largest hydroelectric dam in the world: "Itaipu reflects the wisdom of the Brazilian people. It shows the capacity and competency of the Brazilian people, who are building a great country," he stated.

$1.2 Billion in Trade Pacts

PY051225 Paris AFP in Spanish 1132 GMT 5 Nov 85

[Text] Sao Paulo, 5 Nov (AFP) -- PRC Prime Minister Zhao Ziyang departed this city at 0915 local time (1115 GMT) for Buenos Aires, the third leg of his official tour through four Latin American countries. During his official stay in Brazil, the PRC premier signed agreements that will increase bilateral trade to $1.2 billion beginning this year.

SARNEY APPROVES LAW RECOGNIZING STUDENT GROUP

PY011213 Brasilia Domestic Service in Portuguese 2200 GMT 31 Oct 85

[Excerpt] To the applause of more than 100 students, who were chanting slogans like "We are the UNE [National Student Union], our force and our voice are the UNE," President Jose Sarney today approved a draft law recognizing the UNE. The ceremony was attended by former student leaders like Attorney General Sepulveda Pertence, Education Minister Marco Maciel, and Health Minister Carlos Sant'Anna.

SURINAME PRIME MINISTER MEETS WITH SETUBAL

PY052256 Brasilia Domestic Service in Portuguese 2100 GMT 5 Nov 85

[Text] Brazil and Suriname are seeking to intensify bilateral cooperation. Surinamese Prime Minister Willem Udenhout and Brazilian Foreign Minister Olavo Setubal today met to hold talks in Brasilia and will meet again tomorrow. Udenhout is the third Surinamese prime minister to visit Brazil since Suriname's independence from the Netherlands in 1975. Brazil was the first country to establish diplomatic relations with Suriname after its independence.

PROTESTS ENGENDER ARRESTS, STREET VIOLENCE

PY052005 Madrid EFE in Spanish 1811 GMT 5 Nov 85

[By Senen Conejeros]

[Text] Santigo, 5 Nov (EFE) -- The first of 2 days of protest against General August Pinochet's regime started with street riots, about 30 arrests in Santiago and Valparaiso, and a wave of attacks. According to official reports, two people seriously injured and enormous material damage are the results of 15 bomb attacks perpetrated last night and this morning.

University students clashed with Carabineros at noon today near the Physical Science and Mathematics School of the University of Chile. The Carabineros used tear gas bombs; water cannons, known as guanacos; and small vehicles which are used for launching tear gas bombs known by the youths as skunks, to disperse the students, who had built barricades and hurled stones at policemen. The incidents began early this morning.

Military forces in southern Santiago used guns to drive away a group of hooded individuals who intended to build barricades in order to hinder traffic flow. A decrease in bus service has been observed since earlt this monring. By noon, public transportation was almost nonexistent near downtown Santiago, and many stores and offices closed in view of possible incidents.

According to an official report, 23 people were arrested in Santiago, and an undetermined number were detained in Valparaiso, the main Chilean port 120 Km northwest of Santiago. Taxi driver Pedro Munoz Araos was seriously injured at dawn today in Valparaiso by incendieary bombs hurled against his vehicle. Another driver, Pedro Sanchez Ulloa, was also seriously injured when his bus was hit by incendiary bombs in southern Santiago at 2235 last night. Ten buses were attacked with incendiary bombs last night and early today.

In the meantime, the relatives of six jailed union lea whose release is one of the main goals of the protest, visited the leaders and stated that on the whole, their condition is satisfactory, despite the strain of 7 days of fasting. The six leaders have already spent 41 days in prison accused by the government of being responsible for the acts of violence during the day of protest on 4 September. Seven days ago the arrested union leaders began a hunger strike which, according to the physicians attending them, has caused cardiovascular problems for Arturo Martinez, leader of the National Union Coordinating board.

The organizers of this day of protest have urged the people to hold meetings in poor neighborhoods and to build barricades during the next few hours.

Blackouts Mark First Day

PY060257 Paris AFP in Spanish 0202 GMT 6 Nov 85

[Text] Santiago, 5 Nov (AFP) -- A power outage, which tonight affected Santiago and several cities in the central region, has marked the end of the first day of protest against the government of General Augusto Pinochet. An initial power outage, which occurred at 2145 local time affected several areas in the outskirts of Santiago. However, 30 minutes later the blackout affected almost all the Chilean capital, where during the day demonstrators clahsed with policemen in violent confrontations. According to police source, the blackout occurred after bomb explosions were heard in different places in Santiago. One of the bombs knocked down a pylon in the Rapel zone, 50 km south of Santiago. Blackouts were also reported in Valparaiso and Vina del Mar, 140 km west of Santiago, in Rancagua and Curico, 200 km to the south, and in the port of Coquimbo, 470 km to the north.

Television transmissions were interrupted and radio stations used their emergency equipment to continue their programs, during which they called upon the people to keep calm. Neighbors reported that the traffic lights stopped working while nervous drivers hurried home, and in some high-rise buildings people were trapped in elevators. Authorities have reported that in incidents before the blackout, four people were reported to have sustained gunshot wounds and more than 100 demonstrators were arrested. Several blackouts have taken place in Chile in the past few months. The leftwing Manuel Rodriguez Patriotic Front, which is advocating rebellion against the military regime, has claimed responsibility for the blackouts.

CUADRA BLAMES 'MARXIST AGENTS' FOR RECENT VIOLENCE

PY 051200 Santiago Radio Chilean in Spanish 1600 GMT 4 Nov 85

[Report from Government House by Sergio (Abel)]

[Excerpts] Government Secretary General Franciso Javier Cuadra this afternoon said it is necessary to reassert that there are certain political groups which in keeping with their philosophies are preaching and practicing violence, pointing to the incidents that occurred this past weekened. He added the government is always closely watching the situation to enforce the necessary measures to safeguard public order, since the recent incidents were serious.

Asked about the recent attack in Vina del Mar, Cuadra said:

[Begin Cuadra recording] These obviously were very serious and delicate incidents. All Chileans should consider those who are truly responsible for these violent incidents. Althought the government has repeatedly stated this, we once again reassert that there are certain political movements that preach and practice violence in keeping with their philosophy. These groups are those that follow the Marxist philosophy. Moreover, everyone in Chile knows who are [words indistinct]. [end recording]

Cuadra noted it is well-known where these terrorist groups operate in Chile, how they are connected to other extremist groups in Latin America, like the ties that exist between the MIR [Movement of the Revolutionary Left] and the Tupac Amaru group in Peru, and where they obtain their tactical and financial support. These groups are commanded and protected by the Soviet Union, he declared.

Asked who was responsible for the violence this past weekend, Cuadra said that in view of the modus operandi, the theory that Marxist agents were responsible for these attacks is perfectly valid.

SEGUEL, LEADERS IN SIXTH DAY OF HUNGER STRIKE

PY042155 Santiago Radio Chilena in Spanish 1630 GMT 4 Nov 85

[Text] Six union and slum district leaders who are being held at the Capuchinos Prison are today on the 6th day of a hunger strike. According to representatives of the National Workers Command [CNT], Rodolfo Seguel, the CNT president, has lost 6 kg since he started the hunger strike; Manuel Bustos, president of the National Union Coordinating Board, has lost 4 kg; and Jose Ruiz di Giorgio, Arturo Martinez, Eduardo Valencia, and Mario Araneda, have lost between 3 and 3.5 kg. Two physicians of the Medical Association and a physician of the Gendarmeria Directorate have periodically checked the condition of the six detainees.

It has been learned from CNT sources that a meeting was held today to evaluate the results of a tour of southern and northern Chile by CNT representatives, who gave a briefing on preparations in those regions for the 5-6 November drive for Solidarity with the detained union leaders. CNT board member Victor Hugo Gac has announced that the original program for the 2-day solidarity drive with the indicted union leaders will be implemented. He added that high-ranking leaders of the International Metallurgical Federation [Federacion Internacional Metalurgical], FITIN, have arrived in Santiago and have contacted several Chilean sectors. Gac said these people were surprised at what has happened to the union leaders and drew a parallel between this situation and that which has happened in Poland.

FACH ANNOUNCES RETIREMENTS, NEW HIGH COMMAND

PY050101 Santiago Radio Chilena in Spanish 1600 GMT 4 Nov 85

[Text] Major General Sergio Pineiro Correa and Brigadier General F itz Dreyer Hanser have submitted their applications for retirement, the Chilean Air Force [FACH] has officially reported. In an official communique, the FACH also announced the composition of the Air Force High Command for 1986, which will be as follows:

Chief of Staff	Major General Carlos Desgroux Camus
Logistics Commander	Major General Pablo Saldias Maripangue
Personnel Commander	Major General Vicente Rodriguez Bustos
Transportation Minister	Major General Enrique Escobar Rodriquez
Air Force Attache in Great Britain	Brigadier General Leopoldo (Corsas) Zuniga
Operations Chief	Brigadier General Ramon Vega Hidalgo
Intendant of 10th Region and Commander of 3d Air Brigade	Brigadier General Jaime Lavin Farina

HONDURAN GENERAL TO STAY UNTIL 19 NOVEMBER

PY042035 Santiago Domestic Service in Spanish 1630 GMT 4 Nov 85

[Text] Honduran Ambassador Francisco Lopez Reyes has stated that General Jose Bueso Rosa will stay in Chile until 19 November. Ambassador Lopez said Gen Bueso was scheduled to leave Chile today, but that he had been authorized to stay until 19 November. Lopez added that he was unaware of any alleged U.S. pressure to have Gen Bueso extradited to the United States.

This morning Ambassador Lopez went to the Foreign Ministry to meet Minister del Valle to discuss recent events concerning the Contadora efforts on the Central American issue.

Ambassador Lopez concluded by stating that Gen Bueso Rosa will go to the United States to stand trial on involvement in drug trafficking.

LATE REPORT: PINOCHET SUSPENDS ACTIVITIES DUE TO FLU

PY060235 Santiago Domestic Service in Spanish 2200 GMT 5 Nov 85

[Government House News by journalist Rosa Sanchez]

[Excerpts] Presidential Press Secretary Roberto Mardones reported a few minutes ago that Pinochet will resume his normal daily activities at the La Moneda Palace on 7 November. Mardones added that Pinochet is affected by a slight flu and that therefore, his doctors have recommended that he rest in his residence. Pinochet's doctors urged him to rest to avoid a deterioration of his flu condition.

INTERIOR MINISTER DISCUSSES ANTITERRORISM, DRUGS

PY040119 Lima EL COMERCIO in Spanish 20 Oct 85 p A-4

[Interview with Interior Minister Abel Salinas and with Deputy Interior Minister Agustin Mantilla at ministerial office by unidentified reporter -- date not given]

[Excerpts] On a large map with color marks, architect Abel Salinas Izaguirre shows the drug trafficker strongholds he plans to attack.

Question: What do the Armed Forces say about this?

[Salinas] They do not think their presence is necessary in that zone.

Question: Has terrorism been defeated?

[Salinas] In this zone, terrorism does not pose any danger. However, a specialized force is indispensable to fight drug trafficking.

Question: What are the objectives of the police reform?

[Salinas] To change the people's distrust into confidence in the police. It is simple as that...

Question: Has this objective been accomplished?

[Salinas] Philosophers work for historical processes; we ministers work for the present...

Question: You mean this change will be accomplished through a historical process...?

[Salinas] Ministers work for the present. Philosophers deal with historical processes.

Question: It has been announced that the list of commanders and officers of the Republican Guard and of the Police Health Department who must retire is ready. Why has it not yet gone into effect...?

[Salinas] Each measure must be taken at the right time. Nothing is either stopping or pushing us. There is a timetable that must be complied with.

Question: Have there been changes within the ministry?

[Salinas] Yes. In the past, the interior minister was the minister of the police; today, he is responsible for the country's internal affairs, for internal security, for maintaining public order and, in general, for the security of the people...or I should say of individuals, to conform to the constitutional text.

Question: Has the ministry's organic law become useless?

[Salinas] Perhaps it has not, but it has been rather sluggish... The objectives have been mistaken for the means. The police are not the objective. The duty of the Interior Ministry is to serve as the means through which the state can fulfill its essential role: to guarantee respect for the law through the use of the police power...

Question: What were the signs of this confusion?

[Salinas] There were even external signs. The minister's office, as you can see, is a room. Fair enough...but the office of each director has rooms, anterooms, its own dining room, and a room for Staff meetings... This is fine, but it would be better if the police had the necessary modern equipment to prevent and investigate crimes.

[Reporter's comments] Deputy Interior Minister Agustin Mantilla enters the minister's office. This is a good chance to talk about drugs.

Question: Has the anti-drug campaign become less intense?

[Salinas] No, it has not. But here is Mr Agustin Mantilla, who can give more details about the issue.

[Mantilla] The anti-drug campaign is being implemented at two different levels: repression of the sale of basic paste in the cities, and the eradication of drug production.

Question: Are consumers being punished?

[Mantilla] Adults and minors receive different treatment. However, repression is mainly aimed at the supplier, who is the criminal.

Question: Has consumption reached high levels in the cities?

[Mantilla] Yes.

Question: How is the drug distribution system suppressed?

[Mantilla] Three times a week the police raid the areas where drug supplies are known to operate.

Question: Are these raids aimed exclusively at fighting drug trafficking?

[Mantilla] The Peruvian Investigative Police, PIP, and the Civil Guard frequently carry out joint operations in specific areas of the city. Vehicles and suspects are searched. There have been positive results. It has been possible to spot vehicles with stolen motors, people carrying arms without authorization, explosives, and basic cocaine paste. These operations, in which areas are combed, have yielded good results. They are preventive actions.

Question: Have there been raids on the basic cocaine paste production centers?

[Mantilla] Yes, but for security reasons we cannot provide details. Drug traffickers do not stop their criminal actions, therefore, the police cannot stop acting. This is something permanent.

Question: Are the Colombian police still cooperating with the Peruvian police?

[Mantilla] Yes, in an effective way.

Question: Why are Colombian helicopters used, instead of Peruvian Air Force helicopters?

[Mantilla] Because of the geographical location of the laboratories and the airports used by the drug traffickers. The Peruvian helicopters are stationed in Iquitos, and it would take them 2 hours to reach our objectives. However, the Colombian helicopters are 8 minutes from the target. That is the only reason.

[Reporter's comments] Mr Mantilla leaves the office.

Question: Will the city radiopatrol system be improved?

[Salinas] We began with an organization with 20 patrol units operating in a city of 5,000,000. We have incorporated 21 more units that are now in operation. Forty new units are due to begin operating tomorrow. We will patrol the city 24 hours a day. The patrol units will act in coordination with the helicopters in order to guarantee the people's security.

Question: What can you tell us about the aid the United States has provided for the struggle against drug trafficking?

[Salinas] It is disproportionately low. There is no comparison between the damage that cocaine inflicts on the American people and the investment made to eradicate the coca plantations from a production center as important as Peru.

Question: How great is that disproportion?

[Salinas] The American people pay around $10 billion to buy cocaine. This is what U.S. consumers pay in the United States. But Washington wants to end the production of coca by sending us $2.5 million annually.

Question: How much do Peruvian traffickers receive?

[Salinas] The national basic cocaine paste production, at prices in the production zone, is estimated at $2 billion.

Question: Can you tell us how large the production area is?

[Salinas] In Alto Ucayali and Huallaga there were 150,000 hectares of coca plantations. Now the area has expanded to 200,000 hectares.

Question: How are the $3.5 million [figure as published] that the United States provides used?

[Salinas] On per diem, fuel, uniforms...and in the CORAH [expansion unknown] plan, which seeks to replace coca plantations with food crops. We can do very little with this amount. It is as if we wanted to use arrows to fight an adversary who has sophisticated weapons.

MAYOR BARRANTES CRITICIZED, IU CRISIS ALLEGED

PY031858 Lima EXPRESO in Spanish 21 Oct 85 p 2

[Text] Senator Carlos Malpica, who represents the PUM [United Mariateguist Party], stated during a television interview that there are serious problems within the National Executive Committee of the United Left [IU] and he blamed Doctor Alfonso Barrantes for those problems. He also accused Barrantes of taking a pro-APRA [American Revolutionary Popular Alliance] position.

Malpica was interviewed on Channel 9's "One Plus One" program. During the interview, Malpica uttered some epithets and accusations against Barrantes and asserted that Barrantes is not the great leader that the members of the IU think he is and that if he left the front no one would lament his going.

He also stated that due to the mayor's attitude, his leadership has been eroded since 14 April, especially due to his decision not to go up against Alan Garcia in a second round of elections and also because of his closer ties with APRA, which the left does not desire.

Malpica said that "as the president of the IU, it was Barrantes' duty to issue a communique on the government's economic measure and on the human rights situation." In the first place, Malpica stressed, Barrantes did not issue a communique and he did not call the IU's Executive Committee into session 4 months ago. Secondly, he stated that the epithet "common criminals" that the mayor had used instead of political prisoners is closer to the position of the Army than to that of the IU.

Barrantes Denies Crisis

PY042148 Lima LA REPUBLICA in Spanish 21 Oct 85 p 2

[Text] The president of the United Left [IU], Alfonso Barrantes Lingan, yesterday reiterated that there is no crisis within that political front, despite the desires of its adversaries and certain media, who would like to see the Peruvian left divided again. He said that, as in any big party, there are various differences regarding the handling of certain topics, but that all the IU member parties have reaffirmed their commitment to maintaining unity despite such differences.

After stating that no IU leader has solicited his resignation, Barrantes said he is just getting his teeth into the unifying job given him by the militants of the Peruvian left.

In this regard, he declined to comment on some criticisms of him by the leaders of the United Mariateguist Party [Partido Unificado Mariateguisa -- PUM], led by Senator Javier Diez Canseco. When journalists persisted, Barrantes Lingan said pointedly that he would not be a political schemer and that he would not respond to the thoughtlessness of some of his colleagues. "The important thing is to strengthen unity," the leftist leader and mayor of Lima emphasized.

He said he was most concerned about solving the problems affecting the majority of Peruvians and with building a movement that will monolithically express the interests of the people, while listening to the grassroots. "People make history," Barrantes said.

At the same time, Barrantes clarified his position regarding the policy of the current government, saying that it is one of respect but also of democratic and critical opposition. It should not be considered that the left must either roughly oppose the government or, at the other extreme, docilely worship it.

Barrantes made this statement after several news media had reported a virtual crisis within the IU, which could affect its internal life. "None of this will happen. A crisis, a split, would only benefit our enemies -- imperialism and the power groups in the country," he asserted.

The secretaries general of the parties of the United Left last week held a meeting of the Executive Committee at the prompting of the front's president. There they all debated for 2 hours about the situation, current policy, and the position the IU has been taking regarding the government in recent months.

Present at the meeting were Santiago Pedraglio and Javier Diez Canseco of the PUM; Genaro Ledesma and Eleazar Ramos of the FOCEP [Student-Peasant-Worker Popular Front]; Manuel Benza and Lafredo Filomeno of the PSR [Revolutionary Socialist Party]; Alberto Moreno and Jorge "Ludovico" Hurtado of the UNIR [Revolutionary Union of the Left]; Jorge del Prado and Guillermo Herrera of the PCP [Peruvian Communist Party]; Manuel Dammert and Luis Mejia of the PCR [Revolutionary Communist Party]; and Henry Pease, who represented nonparty personages.

The agenda, which had been set up the day before, contained two concrete points: first, the national political situation, and second, the organic balance in the United Left. It was learned that at the start of the meeting the leaders of the UNIR and PUM raised the preliminary issue of changing the agenda and beginning by discussing the organic problem of the IU, with the aim of opening an immediate meeting of an expanded committee.

The other parties rejected this line of action because they said they should not be diverted from the principal problem to the organic one. Analysis of the joint national policy should be given precedence. In this regard, the PSR leaders tabled a document to serve as a proposal of work. The PCP and PUM submitted their own documents, which had been drafted a few minutes before the meeting.

Alberto Moreno of the UNIR said there had been a crisis right at the heart of the IU, but that above all, a decision should be made to maintain unity.

He then demanded that all the leaders give greater attention to defining the front's line of work, above all taking into account the government's actions.

Diez Canseco then criticized some aspects of the IU's work, fundamentally that relating to the government of Alan Garcia. Without mentioning it, he insinuated that the IU president had not taken categorical stands on Alan Garcia's policy and demanded an expanded Executive Committee in order to define many matters.

Diez Canseco also reportedly said that there was an identity problem in the IU, since the leftist program touted during the electoral campaign had been exhausted. This was extensively rebutted by Manuel Dammert, Manuel Benza, and Henry Pease, who demolished the PUM leader's arguments.

Senator del Prado said in a deliberate voice that they should be calmer when analyzing the IU position on national events, remembering what has happened within the IU in recent years.

The veteran leader emphasized that "we must avoid subjectivity and, on the contrary, reaffirm the unity of the front."

He then said that there was a campaign orchestrated from outside to divide the left and damage the united strength of the IU leaders. Del Prado rejected Diez Canseco's proposal, saying that any move made by the United Left must stem from a prior agreement of the National Executive Committee.

Manuel Banza and Alfredo Filomeno of the PSR explained the positions of the IU and the APRA [American Revolutionary Popular Alliance], defining their sectors programatically. Then they said it is necessary to clearly outline the IU's stand in regard to that of the government, while maintaining and consolidating internal unity.

Manuel Dammert, for his part, replied to the PUM leaders, saying that two conspicuous PUM leaders -- Vitarte Mayor Franklin Acosta and agrarian leader Ricardo Letts -- have been taking a position of "alliance and struggle with the government of Alan Garcia." He said that there are differences of opinions and crisis with the handling of the IU, but that these are growing pains since the IU is changing from a simple electoral coordinator into a mass movement.

Pease observed that the IU program has not been exhausted, applauding the leadership of Barrantes Lingan, which no one questioned during the meeting.

Eleazar Ramos of the FOCEP reaffirmed the unified character of his party, pointing out the necessity to always consult with the grassroots on any political decision.

Finally, the IU leaders agreed to designated one representative each from FOCEP, UNIR, and RCP to draft a public document which the IU will publish based on the proposals put forth by the PSR, PCP and PUM and which will be discussed next Wednesday.

Alfonso Barrantes made a statement during a civic-patriotic ceremony in the Plaza de la Bandera to mark the 165th anniversary of the adoption of the Peruvian flag in Pisco by General Jose de San Martin.

REPORTED IMPOSITION OF U.S. OIL LAW CRITICIZED

PY051545 Lima Television Service in Spanish 0100 GMT 5 Nov 85

[Excerpts] Economy and Finance Minister Luis Alva Castro today denied that the (Hiken-Looper) amendment could be imposed on Peru. He added that the U.S. Administration intends to create alarm among the people and the economic agents who have been giving their cooperation in the really dramatic and difficult times being experienced by our country.

[Begin recording] [Alva Castro] They are alarmist reports, and on behalf of the government I fully reject them. It is not true that there is speculation on the final decision that must be made regarding negotiations on petroleum contracts. The State Petroleum Agency [Petroperu] and the Mines and Energy Ministry are working on this together. We have to be patient. The government has issued a law establishing a deadline for the final decision. We must respect this deadline. Only then must we begin dealing with this issue.

[Unidentified reporter] Would you say, then, that this is mere speculation?

[Alva Castro] Absolutely. This is mere speculation, and we should not pay attention to it because it is aimed at creating alarm among the people and the economic agents. [end recording]

Foreign Minister Allan Wagner minimized the report and termed as mere speculation possible implementation of the (Hiken-Looper) amendment by the U.S. Administration against our nationalistic and sovereign petroleum policy.

Labor Minister Carlos Blancas has stated that no amendment, threat, or oppression will force Peru to step back from its national sovereign decisions.

Commenting on implementation of the U.S. amendment, Minister of the Presidency Nicanor Mujica Alvarez Calderon has stated that there is nothing official yet.

For his part, Mines and Energy Minister Wilfredo Huayta today stated that no measure such as implementation of the (Hiken-Looper) amendment, the classification of our foreign debt as value impaired, or any imposition by the U.S. Administration will change the nationalistic, democratic, and popular position adopted by this government regarding petroleum policy matters.

Senator Armando Villanueva del Campo has also minimized the threat of the (Hiken-Looper) amendment. He said that on the contrary, foreign investors have expressed their confidence in working in Peru.

Lima Mayor and President of the United Left Alfonso Barrantes today stated that any foreign threat must be tackled with national unity.

MRTA TERRORISTS BOMB CITIBANK BRANCH IN LIMA

PY061036 Madrid EFE In Spanish 0518 GMT 6 Nov 85

[Text] Lima, 5 Nov (EFE) -- A car loaded with explosives exploded tonight in front of the Lima branch of the U.S. Citibank in San Isidro neighborhood. The explosion, which took place at 2230 local time (0330 GMT), did not cause any casualties but destroyed the metal door of the bank and damaged some neighboring buildings.

The Tupac Amaru Revolutionary Movement (MRTA) claimed credit for the attack through slogans painted on the walls of the bank. After granting the government a truce in August this year, the MRTA resumed its attacks on 4 November by occupying for 15 minutes the newspaper EL NACIONAL, where several MRTA activits harangued the newspaper workers.

Shortly after the strong explosion which was heard throughout San Isidro neighborhood, Deputy Interior Minister Agustin Mantilla and many policemen arrived at the site of the explosion.

'COCAINE KING' THREATENS TO IMPLICATE OTHERS

PY042120 Madrid EFE in Spanish 2329 GMT 3 Nov 85

[Text] Lima, 3 Nov (EFE) -- Peruvian drug trafficker Reynaldo Rodriguez, also known as the cocaine king, who was arrested on 1 November, warned that he would not go to prison alone and promised to confess if protection is guaranteed for his family.

This was reported today by the newspaper LA REPUBLICA, which has published alleged statements by Rodriguez, who was arrested with his brother Manuel 2 days ago. Reynaldo Rodriguez is being held in a secret place in the Ancon District of Lima.

The drug trafficker said the real godfather is someone else, that he is not the cocaine king as has been said. He also said he is willing to tell everything but has demanded guarantees for his family before he talks. He said that although his life may be in danger, he will not take the blame for others who are guilty.

Meanwhile, according to police sources, an operation is under way to close all the borders to prevent individuals presumed to be involved in the greatest drug-trafficking operation yet discovered in Peru, which even has branches abroad, from leaving the country. It was also reported that a contingent of at least 300 members of the Peruvian Investigative Police [PIP], which is the organization that captured Rodriquez, has begun a raid to capture other members of the drug-trafficking gang.

General Yonel Ramierez, PIP illegal drug-trafficking investigative division chief, has said that the locations at which arrested drug traffickers are held are kept secret to safeguard their integrity.

Not even Rodriguez' lawyer, Luis Guerra, knows where his client is being held. He charged that police have kidnapped Rodriguez' and he considers this action unconstitutional. Guerra said he is worried about Rodriguez' life because there are many powerful individuals interested in silencing him. He added that his client would not go to prison alone, and that many others will accompany him, including several well-known Peruvian artists.

The police are maintaining strict control at all the customs offices in the country to prevent anyone linked to the cocaine king's mafia from leaving the country.

According to Prosecutor Cesar Elejalde, Rodriguez' organization has penetrated important sectors of national life. Several PIP officers are currently being investigated and others are included in the legal procedures of the case, such as Luis Lopez, and adviser of former Prime Minister Percovich.

BRIEFS

NEW MINIMACHINE GUN MANUFACTURED -- Lima, 27 Oct (AFP) -- A new minimachine gun that can be hidden under a man's arm has been manufactured by the Center of Arms Factory (CAFAR) of the Peruvian Navy. The MGP-84-Mini, which was designed, developed, and manufactured by Peruvian technicians, is 28 centimeters long, weighs 4.2 kilograms, and can fire 650 9-mm bullets per minute. According to its designers, this minimachine gun can also launch tear gas and smoke grenades, as well as explosive grenades, up to a distance of 125 meters. [Summary] [Paris AFP in Spanish 1709 GMT 27 Oct 85 PY]

LUSINCHI GREETINGS PRAISE GUATEMALAN ELECTIONS

PA052209 Madrid EFE in Spanish 1730 GMT 5 Nov 85

[Text] Caracas, 5 Nov (EFE) -- In a telegram sent to General Oscar Mejia Victores, Venezuelan President Jaime Lusinchi expressed satisfaction over the return of democracy in Guatemala through the election held Sunday. The contents of the telegram were published today in Caracas. The Venezuelan president told his Guatemalan colleague that Guatemala, by the decision of its people in full exercise of their sovereignty, has returned to the group of countries governed democratically.

I want to express the admiration we feel for the way you decisively and willingly led this process that will go down in history as one of the greatest campaigns in your country, Lusinchi said.

Recalling that Mejia Victores invited him to visit Guatemala, the Venezuelan president pointed out that he plans to do so as soon as possible and at a mutually convenient time to personally express his feelings of friendship and recognition.

ENERGY MINISTER DENIES OPEC PRICE DIFFICULTIES

PA030019 Paris AFP in Spanish 2302 GMT 2 Nov 85

[Excerpts] Caracas, 2 Nov (AFP) -- Arturo Hernandez Grisanti, energy and mines minister, said today "there is no foundation" for believing that OPEC's price structure can be broken. In relation to a statement by Mani' Ibn Sa'id al-'Utaybah, United Arab Emirates petroleum and natural resources minister, who said the "OPEC price structure has collapsed," Hernandez Grisanti said "individual opinions do not compromise OPEC."

Hernandez Grisanti did admit that OPEC's situation is the worse it has faced; however, he added that it is necessary to defend its unity.

In regard to al-'Utayabah's position, Hernandez Grisanti said the alarm caused by his statements "is without basis because OPEC's decisions on production and prices have been in force since the 31 October 1984 and 2 July 1985 conferences." Hernandez Grisanti added that, however, "we cannot overlook the fact that OPEC's price structure and influence has decreased in the international market due to the lack of discipline of some of its members." On the other hand, he said, those who know OPEC "know that the opinion of individuals in no way represents the view of the organization."

Hernandez Grisanti assured that there is nothing to make one believe that OPEC's price structure has collapsed. "On the contrary," he added, "it has improved during the past 2 months" in regard to some light crudes.

CHIEF JUSTICE RESIGNS DUE TO POOR HEALTH

PA020311 Caracas Television Service in Spanish 1600 GMT 1 Nov 85

[Text] Jose Santiago Nunez Aristimuno, chief justice of the Supreme Court, submitted his resignation today because of poor health and on his doctor's advice. The resignation will be effective 30 November 1985. The members of the Supreme Court will consider Nunez' resignation. If they accept it, Rene De Sola, or any other member of the Supreme Court unanimously elected will temporarily replace Nunez.

GOVERNMENT OPPOSES ELIMINATION OF OPEC PRICES, QUOTAS

PA052200 Paris AFP in Spanish 1818 GMT 4 Nov 85

[Text] Mexico City, 4 Nov (AFP) -- Mexico opposes an eventual elimination of OPEC crude oil prices and production quotas, reliable sources commented today in connection with statements on this subject made by Mani' Ibn Sa'id al-'Utaybah, minister of petroleum and natural resources of the United Arab Emirates.

According to Al-'Utaybah, from now on, each OPEC member is free to sell as much crude oil as it wants at any price it wants, but "in practice that would mean the death of OPEC, endangering the stability of the oil market where we place 70 percent of our exports," a government official told AFP, breaking the official silence on this subject.

Although Mexico, the fourth leading world producer, is not an OPEC member, its government has followed OPEC policy in matters of prices (currently set at between $26.75 and $27.50 for light oil and between $22.10 and $23.10 for heavy oil) and export quotas (1.5 million barrels per day). However, the source, who asked not to be identified, admitted that some private sector elements connected with financial capital and members of the economic cabinet all agree that "Mexico's solidarity with OPEC's decision is a mistake, and they obviously endorse any decision that goes against the oil cartel's survival." For them, he stressed, "the ideal thing would be for us to set both prices and production quotas in accordance with demand without commitments of any kind, as we would thus obtain more foreign exchange and could alleviate the weight of our foreign debt" ($100 billion).

For their part, business leaders, both exporters and importers, have warned that "a price war might be declared, with negative repercussions for Mexico." The government, they stressed, must "prudently study the market's evolution in view of the possibility that OPEC might abandon its role as regulator," and it should adopt decisions "in accordance with our reality."

3 DETAINED IN DEATHS OF 22 ANTI-DRUG POLICEMEN

PA052135 Mexico City XHDF Television Network in Spanish 1955 GMT 4 Nov 85

[Text] The Mexican Attorney General's Office today reported that the ambush that led to the deaths of 17 policemen in the Veracruz Sierra was carried out by drug traffickers who surprised them in three different places and occasions. The policemen killed include five members of the federal judicial police, as well as state policemen and members of the federal security directorate.

Florentino Ventura Gutierrez, Interpol director in Mexico, has reported that three people have been detained in connection with the killing of 22 [figure as heard] judicial agents in the (Sanchez Taboada) village in Veracruz on Saturday. He did not give the names of those detained so as not to hamper the investigation. This, however, signifies considerable progress in the effort to clarify this crime. In addition, Enrique Arenal, permanent coordinator against drug trafficking, has said that about 600 people participated in the operation, 500 of whom were members of the Mexican Army.

According to preliminary estimates, between 50 and 60 drug traffickers operate in the (Sanchez Taboada) area in Veracruz. The criminals have not fled from the area. Quite the contrary, they displayed unusual aggressiveness by firing at the policemen who recovered the bodies of the 22 agents riddled by bullets. Despite this, the federal judicial police are confident they will achieve positive results in the next 48 hours.

TRADE GROUP FAVORS FOREIGN DEBT RENEGOTIATION

FL052312 Mexico City NOTIMEX in Spanish 1925 GMT 5 Nov 85

[Excerpt] Mexico City, 5 Nov (NOTIMEX) -- The president of the National Association of the Processing Industry (Canacintra), Carlos Mireles Garcia, announced today that Canacintra will propose to diverse U.S. industrial and financial forums the renegotiation of the Mexican foreign debt ($95 billion) in more favorable conditions.

Mireles Garcia gave the press a study on the position he will take in the name of a large group of industrialists. He emphasized the fact that payments must be stretched out to make it possible to channel resources to assure economic growth, principally in the agricultural and industrial sectors. The study, which was drawn up by a group of specialists from the studies directorate of Canacintra, estimates that by year's end income from exports will total $21.5 billion.

PEMEX TO DRILL 1,536 NEW OIL WELLS BY 1989

FL020421 Mexico City NOTIMEX in Spanish 2025 GMT 1 Nov 85

[Text] Mexico City, 1 Nov (NOTIMEX) -- Pemex has reported that it will drill 1,536 oil wells in the country's different hydrocarbon producing regions from the remainder of the year until 1989. Pemex has assigned 1.4 trillion pesos ($4.3 billion) which will be used to intensify operations in the country's most important areas, specifically in the areas of Campeche, Chiapas, and Tabasco in southern Mexico.

Likewise, during that period of time, explorations will be active in new identified areas such as the Altar Desert, the provinces of Chihuahua-Durango, Guerrero-Morelos, and the Cordoba platform. The ocean areas to be explored will be the Gulf of Cortes, and the port of Veracruz, Pemex said. Out of the 1,536 oil wells, 419 will be exploratory, 1,082 will be for development, and the remaining 35 will be for water injection. It has been predicted that with these new wells, the national oil industry will have almost 8,000 wells in operation in 1989.

The project's main long-range goal is for the oil industry to maintain its present 2.7 million barrel daily extraction and by late 1989, increase it to approximately 3 million barrels a day. With this measure, Pemex is attempting to satisfy domestic oil demand and cover future export goals.

PARTIES PROTESTING ELECTION 'VIOLATIONS'

PA022323 Mexico City EL DIA in Spanish 23 Oct 85 p 6

[By Inocencio Valdez]

[Text] "A total of 21 town halls in the state of Veracruz, among them those of Orizaba, Altotonga, Papantla, Poza Rica, Tecolutla, Gutierrez Zamora, Fortin de las Flores, and Tlapacoyan, have been seized by the residents of these towns. They are -- led by members and leaders of the Popular Socialist Party [PPS] and are thus lodging a strong protest against the flagrant violations carried out by the town bosses during the October municipal elections, in which the town bosses prevented the people from going to the polls and are now trying to take other actions to prevent the recognition of the PPS' victories, which were obtained despite all the obstacles to prevent these victories," the PPS has announced in a communique.

The communique also states that to date there are 15 municipalities in which the voting was so overwhelmingly in favor of the PPS "that this cannot be

concealed." However, the communique adds, the government secretary is doing everything to prevent the Chamber of Deputies from recognizing these victories, "forcing the PPS to move throughout the state to prevent any foul play against the people's will."

"The government is to blame for the fact that the people of Veracruz, organized and led by the PPS, have marched as far as Jalapa, occupying state roads, " the PPS said.

Meanwhile, more than 2,000 members of the Workers Socialist Party [PST] last night carried out an active demonstration in front of Jalapa's Government Palace to protest the irregularities committed against the PST during the recent municipal elections.

COSTA RICA

LA NACION CONCERNED OVER INCREASE IN SOVIET TIES

PA022301 San Jose LA NACION in Spanish 28 Oct 85 p 14 A

[Editorial: "The Soviet Presence in Costa Rica"]

[Text] Colonel Sergio Fernandez stated yesterday to this newspaper that the Soviet Airline Aeroflot is making arrangements and efforts through its representatives in this country to establish operations here in the same conditions as other airlines.

This news was preceded by another report, which doubtless has a close connection. We refer to the establishment, a few days ago, of consular relations between the USSR and Costa Rica, which surprised everyone because it was so unexpected.

In other words, the links we have maintained for years with the USSR at a level which was increasingly discreet and limited, have suddenly begun to be multiplied and strengthened, for God only knows what reason or motive. It is obvious that the consular relations are linked to the possible establishment of the Soviet Aeroflot company in the country. The consular relationship was necessary so that Aeroflot operations could have diplomatic support and backing. It can thus be said that the signatures of Foreign Minister Carlos Jose Gutierrez and the Soviet ambassador on the document establishing these diplomatic relations was the first step necessary to facilitate the opening of offices and installations of the Soviet airline in San Jose.

The fears expressed by Col Fernandez are more than justified. Aeroflot's record in all the countries in which it has operated is full of serious diplomatic incidents. Its officers are not simple representatives or company employees, but KGB agents. Recently, the Spanish Government had to expel a great number of officials of that airline company after having proved that they were engaged in spying and dispatching secret information on internal and confidential government matters.

The background of this airline company is too well-known the world over for the Costa Rican Government to be unaware of it. We simply cannot understand why all this diplomatic activity to increase the Soviet presence in Costa Rica has begun, just when this government's term is about to end. We would like to know what is behind all this activity, what reasons the government or the National Liberation Party has for fostering this strange and mysterious rapprochement with the Soviets, on the verge of general elections, at a time when their presence in Central America is excessive and somber.

We would really like an explanation, as it is hard for us to understand why these consular relations were not agreed upon from the first year of this administration, as part of a definite foreign policy, instead of being left until the end, a little surreptitiously, as if this further link with the Russians forms part of a future policy.

EL SALVADOR

GOVERNMENT THREATENS TO DISMISS STRIKING WORKERS

PA060002 Panama City ACAN in Spanish 1727 GMT 5 Nov 85

[By Pablo Antonio Ayala]

[Text] San Salvador, 5 Nov (ACAN-EFE) -- The Salvadoran Government has threatened to dismiss the Finance Ministry's workers who insist on continuing the strike, which has been termed illegal.

Finance Minister Ricardo Lopez told newsmen thet orders have been given to begin deducting wages from the workers who continue the strike, which began 15 days ago.

If this action does not obtain the results expected and the workers continue to strike, they will be suspended for 6 months and finally dismissed.

The General Association of Finance Ministry Employees (Agemah) called a general strike on 21 October to demand from President Jose Napoleon Duarte's government the annulment of a law, a wage increase, and other social benefits. Agemah, with approximately 7,000 members, says the strike will continue until their strictly professional demands are met. The strikers are demanding the annulment of Decree 162 issued by the Legislative Assembly which establishes that the government may move state workers from one job to another and also send them to other locations, even abroad if necessary.

Agemah is also demanding a 300 colones ($120) per month wage increase, retirement at 30 years of service, and price controls on staples. The government has termed the strike illegal and has asked the workers to return to work. Agemah accused the military authorities of forcing the Customs Department workers to return to work.

Finance Minister Lopez recently said that Agemah's strike is affecting the state tax collection and has delayed the payment of wages to thousands of public workers. Meanwhile, the Society of Postmen and Post Office Workers Union of El Salvador (Sucepes) is also on strike demanding freedom for two of its leaders, who are in prison. The post office workers are also demanding the dismissal of three bosses whom they say are "corrupt and against the workers interests." The Treasury Police arrested Victor Manuel Martinez, president of Sucepes, and Purificacion Reyes, Sucepes secretary general, because they are involved with leftist groups.

COPREFA REPORTS 30 GUERRILLAS KILLED IN 48 HOURS

PA021410 Panama City ACAN in Spanish 1904 GMT 1 Nov 85

[By Pablo Antonio Ayala]

[Text] San Salvador, 1 Nov (ACAN-EFE) -- Today, military sources reported that the Salvadoran Army inflicted 30 casualties on the guerrillas in 48 hours, during the counterinsurgency operations that are taking place at different points in the country. Thirteen of the FMLN's casualties occurred in the north of eastern Morazan Department. A military spokesman added that seven rebels were killed and six were injured during clashes with the Army.

Colonel Mauricio Vargas, commander of Military Detachment No 3 [as received] with headquarters in San Francisco Gotera, Morazan Department, told ACAN-EFE that the most recent clashes with rebel groups took place near the cities of Corinto, Sociedad, and on the banks of the Torola River. The official forces have been conducting anti-guerrilla operations for several weeks in those areas, which are located 180 km northeast of San Salvador, aiming to dismantle the FMLN positions that operate in the northern part of Morazan Department, the officer added.

One of the major guerrilla strongholds is located in the mountainous area north of strife-torn Morazan Department. Four Army soldiers were injured during the counter-insurgency operations in Morazan.

Col Vargas said that in addition the officers captured documents from the leftists detailing strategies and attack plans, and that two FMLN militants surrendered to the military units. The FMLN lost 5 men and 10 were wounded yesterday when they clashed with Army troops in Tenancingo, 38 km north of San Salvador, the Armed Forces Press Committee (Coprefa) reported.

The clash took place in Jinuco Canton, in northern Cuscatlan Department, where a rebel column moving in the area was attacked by surprise, the military sources reported.

The Armed Forces are combing the northern area of Cuscatlan for rebel redoubts in coordination with the other operations that are being carried out in the area of Guazapa Hill. The military is pursuing the FMLN position on Guazapa Hill, 24 km north of San Salvador.

The guerrillas announced over the clandestine "Radio Venceremos" that its forces had inflicted 42 casualties on the Army during the last few weeks in clashes taking place in various parts of the country, particularly in the eastern part.

The radio added that the government ranks suffered 9 casualties, including dead and wounded, as a result of the ambushes and clashes in the area of Chalatenango. The Army has been waging counterinsurgency operations for the last 2 weeks in the mountains of Chalatenango Department, in northern El Salvador. Official sources said today that many towns in the Departments of Usulutan, San Miguel, La Union, and Morazan are without electricity as a result of the guerrillas destroying 16 power pylons.

VENCEREMOS CHALLENGES COPREFA ON STATISTICS

PA052218 (Clandestine) Radio Venceremos in Spanish to El Salvador 1400 GMT 3 Nov 85

[Text] The morale of the Armed Forces is nil, but they have a clown to amuse them. He is the midget, half-meter Shorty [Lieutenant Colonel Armando] Aviles, who once again made them laugh with his Coprefa [Press Committee of the Armed Forces] reports. The pretext committee of the Armed Forces today issued statistics on the casualties that the puppet Armed Forces allegedly suffered in October.

According to Coprefa, the Armed Forces sustained 447 casualties. In spite of this being a high figure, it is not the truth, and our people know this, because it has learned how to read the Coprefa communiques and knows it has to multiply by two all the Coprefa figures. Some time ago, when it was awaiting approval of the several million dollars in U.S. aid, the Armed Forces publicly said that it was suffering thousands of casualties. Vides Casanova, and General Garcia before that, used to give figures of thousands of casualties. However, because they have already been given thousands of dollars and they must justify that money, they now try to hide the military disaster by hiding the true number of casualties.

One could also think that when the dwarf Aviles reports that the Armed Forces have only sustained 82 dead and 365 wounded -- that is when admitting they have sustained 447 casualties, as Aviles said today -- Coprefa is probably referring to the casualties of the first 2 weeks of October.

If that is the case, we are waiting for the perfumed dwarf of Coprefa, Colonel Aviles, to give the results of the entire month of October. We are waiting for these figures, to see if Aviles' statistics will be nearer to the 825 casualties we have counted, bulletin after bulletin. As we said before, we said that we have inflicted 825 casualties during the month of October. We want to know if Col Aviles will have more than 825 casualties during the entire month of October; he should let us know so we can make the corresponding changes.

FARABUNDO MARTI REPORTS ON ARMY CASUALTIES

PA052332 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 2300 GMT 4 Nov 85

[Text] Attention Salvadoran people, we are beginning the month of November with new victories for our people by increasing the war of attrition against the puppet Army, by our actions in new operational theaters, and by dealing strong blows to the dictatorship's war economy.

Salvadoran people, we have reports on the latest clashes that have taken place in the new operational theaters on the Feliciano Ama Western Front. After inflicting 16 casualties on the puppet Army in the "Along With the Working Classes We Will Win" operation, which was jointly carried out by FMLN units on the Feliciano Ama Western Front against the puppet troops, we have reports of more defeats for the puppet Army. Your attention to this very important report received by Radio Farabundo Marti.

At 1300 on Sunday, 3 November, guerrilla units of the Commander Felipe Pena Mendoza Battalions Group Lieutenant Sabino Column ambushed the enemy in a place called La Boveda, at Km 93. The ambush took place between the towns of Metapan and Santa Ana at Km 93 on the highway which links these two important towns in Santa Ana Department. The attack took place exactly 1 km from Hacienda San Francisco. A powerful revolutionary shaped charge was detonated as an Army truck transported 2d Infantry Brigade troops. After detonating the powerful revolutionary mine, the attack on the puppet troops continued for 10 minutes with rifle fire. The results of this successful ambush are 20 casualties, including dead and wounded. The reports we are receiving indicate that after the powerful mine blast the puppet troops were not in a position to do anything and were unable to move as a result of the guerrilla attack. The Army truck which carried the troops was totally destroyed. It is one of the new trucks used by the 2d Infantry Brigade. After this successful ambush our guerrilla units retreated without any problem.

71 Casualties in Chalatenango

PA041557 [Editorial Report] (Clandestine) Radio Farabundo Marti in Spanish to El Salvador at 1830 GMT on 31 October broadcasts a series of reports on actions carried out by the guerrillas against Salvadoran Army troops:

One report states that on 31 October, troops of the Military Detachment No 1 suffered two casualties in a mine field in the area of (Guarjilita) in San Antonio Los Ranchos jurisdiction. It adds that on 30 October, guerrilla units inflicted one casualty on the enemy in battles in El Picacho de la Montana.

The station reports that "at 2245 on 29 October, our guerrilla units attacked the Belloso Battalion in [name indistinct] Hill, causing one casualty. That same night, our guerrilla units carried out an incursion against a position of Military Detachment No 1 in (El Gallinero) Hill." It continues that on 30 October, units of the Group of the Commander Felipe Pena Mendoza Battalions inflicted two more casualties on the Belloso Battalion in heavy battles on Cerro El Canon. The Belloso Battalion suffered another casualty in battles on the evening of 30 October.

The station reports that since 25 October, the enemy troops have suffered 71 casualties in Chalatenango. It adds that these casualties were inflicted on the Belloso Battalion, the 4th Infantry Brigade, and Military Detachment No 1.

The station reports that "we are hitting the puppet troops, damaging the dictatorship's aircraft, and damaging helicopters throughout the country. In the Modesto Ramirez Central Front, we have damaged a helicopter and downed another." In the Francisco Sanchez Eastern Front, a helicopter was damaged and its pilot wounded.

FELICIANO AMA WESTERN FRONT ISSUES WAR BULLETIN

PA042258 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 2300 GMT 3 Nov 85

[Text] We will now read a war bulletin from the Feliciano Ama Western Front. Within the people's forces victorious advance, a joint guerrilla unit from the Feliciano Ama Western Front of the FMLN carried out the operation "Along With the Working Classes We Will Win," which consisted of attacks on the positions of the 2d Infantry Brigade located near Guarnecia in Santa Ana jurisdiction, the destruction of the Shell gas station in Texistepeque, the sabotage of telephone lines in Guarnecia, and the sabotage of energy sources in Texistepeque.

This operation took place from 2330 on Saturday, 2 November, until 0200 on Sunday, 3 November. We inflicted 6 dead and 10 wounded on the enemy, and seized the following materiel: 6 M-16 rifles, 2 M-79 grenade launchers, 1 M-60 machine gun a 90-mm cannon with 13 projectiles, a large amount of ammunition, and other war materiel. After the sudden operation, our companeros withdrew in an orderly manner without suffering any casualties.

Long live the operation "Along With the Working Classes We Will Win."
A single party, a single Army! United to fight until the final victory! Revolution or death, we will win!

[Signed] Joint FMLN Command on the Feliciano Ama Western Front

GUATEMALA

MEJIA VICTORES SATISFIED WITH ELECTION RESULTS

PA052019 Guatemala City Cadena de Emisoras Unidas in Spanish 1813 GMT 5 Nov 85

[Text] Head of State General Oscar Humberto Mejia Victores held a 50-minute news conference with local and foreign journalists today in the receptions room of the National Palace. The head of state gave thanks to the voters, the political parties, and those who worked during Sunday's elections.

The head of state told the local and foreign journalists and officials that the Army did not need to intervene during Sunday's elections. The Army was vigilant and the people and the journalists did not notice that soldiers were protecting them. The head of state said that the Army remained watchful but it did not need to intervene.

I do not know nor can I state who will be the president of the Republic beginning on 14 January, the date when power will be turned over to the person whom the people elected in the recent elections, Gen Mejia Victores publicly stated. I will turn over power to the person whom the people elect in the ballot boxes because I will not contravene the will of the Army, the government, and the people.

Replying to questions from foreign journalists, the head of state said: I really do not know what the constitutional government that takes office on 14 January will do. Of what I am sure, Mejia Victores added, is that I will turn over power in accordance with the will of the government, the Army and the Constitution. But I really do not know what will be done afterwards because I will no longer be in the government, he said.

I am satisfied with the result of the popular consultations which was my commitment to the people, Mejia Victores said. As commander in chief of the Guatemalan Army, I am fully satisfied with Sunday's elections process, in which the will of all the people was seen, Mejia Victores said. He added: I know perfectly well the results of the elections, but I do not have the last word. It will be up to the Supreme Electoral Tribunal to declare the winners in Sunday's elections. This will be accepted without argument by the executive branch that I head, Gen Mejia Victores said.

As of noon today, and as head of state of Guatemala, I think the general elections were a success. I do not have any political comments because the current military government is not political, he stressed. The Army fulfilled its mission as it always does and it had nothing to do with the elections because there was no need for the military force to intervene in any problem. No problems arose in any of the voting centers during the elections, Mejia Victores said.

The head of state confirmed that the Guatemalan Army will remain on standby [preceding word in English] for the second round elections that will be held because no political party obtained an absolute majority. However, the Armed Forces will act only in emergency circumstances which are not likely to occur for the second round that will be held on 8 December, the head of state said.

Further Report

PA052103 Hamburg DPA in Spanish 1949 GMT 5 Nov 85

[Text] Guatemala, 5 Nov (DPA) -- General Oscar Mejia Victores, chief of the Guatemalan military government, said today at a press conference that he is pleased with the purity of the general elections held on Sunday, and said that he will coordinate actions with the candidate who wins the elections.

Referring indirectly to Christian Democratic candidate Vinicio Cerezo Arevalo, who won the elections, although not with an absolute majority, (which calls for a second electoral round on 8 December), he said that he (Mejia) also supports "concertacion" [reconciliation].

The term "concertacion" issued by Cerezo in his proposed government program to unite the different Guatemalan sectors and work in coordination.

Gen Mejia pointed out that the Guatemalan people voted freely "for whomever they wanted," without any pressure whatsoever, and that security forces only directed traffic because there were no disorders or incidents.

Responding to questions, he said that the Guatemalan Army is "an Army with its own identity that had defeated the guerrillas," adding that it is a professional institution formed by "men who love Guatemala." Gen Mejia said that it is not the Army itself that has led the government on its own, but the politicians who have proposed military men for president and have also caused coups. However, he said, "we are not going to fall into this trap again." He also considered the efforts of the Supreme Electoral Tribunal, which organized the elections, and said that the military government will respect its decisions.

Mejia Victores said that the military government wants to coordinate activities with the civilian government that takes power in January 1986 on different issues, including the national budget, so that the new president can begin to work with a good base from the very first day.

Meanwhile, answering questions, he said that the "Mutual Support Group" (GAM), which is demanding the reappearance of missing people, is directed from Washington by the organization "Americas Watch" or by "Amnesty International." The GAM occupied the Metropolitan Cathedral of Guatemala last Thursday, demanding that the government respond to its demands. The group left the cathedral today and went to the Camino Real Hotel, where international observers and the foreign press are lodged.

CONTADORA DOCUMENT TO BE LEFT FOR NEW GOVERNMENT

PA022334 Hamburg DPA in Spanish 1954 GMT 2 Nov 85

[Text] Guatemala City, 2 Nov (DPA) -- Guatemala's present military government is not going to sign the document "on cooperation and peace in Central America" being promoted by the Contadora Group, Guatemalan Head of State General Oscar Mejia Victores said today. He added that the document should be considered by a democratically elected, rather than a de facto government.

Guatemala will hold presidential elections tomorrow and the victorious candidate will take office on 14 January 1986. Gen Mejia Victores also said that he does not believe the Contadora Document will be ready before his term ends on 14 January, but even if it were, it would be up to the next Guatemalan administration to consider it. The deputy foreign ministers of the Contadora Group (Mexico, Panama, Venezuela and Colombia) and of the Central American countries will meet this month to review the points of the document (security and armament) that remain to be approved.

RELATIVES END PROTEST AT METROPOLITAN CATHEDRAL

PA052309 Panama City ACAN in Spanish 1704 GMT 5 Nov 85

[Text] Guatemala City, 5 Nov (ACAN-EFE) -- Some 100 relatives of people missing in connection with political developments in Guatemala today abandoned the Metropolitan Cathedral after occupying it for 5 days.

The relatives left the cathedral around 0930 local time (1530 GMT) and began marching toward a local hotel where the electoral officials and the international press representatives are concentrated. The march, on foot, will pass through the central parts of the capital and will include the singing of religious hymns.

According to the relatives, they had decided to leave the cathedral because they had made international public opinion aware of their cases. Some 38,000 people have disappeared in Guatemala in the last 20 years, according to the relatives who comprise the Mutual Support Group.

GUERRILLAS KILL MILITARY COMMISSIONER, WOUND 2

PA030241 Guatemala City EL GRAFICO in Spanish 31 Oct 85 p 3

[Text] The Guatemalan Army has reported killing two "terrorists" during a clash in Chuatzunuj, Tecpan, Chimaltenango, and that rebels wounded a small girl and two women and killed a military commissioner in Peten.

Official Communique No 244-85 reports the facts. The clash in Tecpan occurred Tuesday at about 0400 and resulted in "two terrorists being killed and a soldier being wounded. The latter was taken immediately to the hospital in the department's capital. During a search operation by the military, knapsacks and bloodied clothing were found. This leads to the belief that some terorrists were wounded. In addition, Army members seized arms, explosives, medicine, food, and plastic bags," it was reported.

According to the reports, in La Gloria, the San Diego area, Poptun Jurisdiction, Peten, guerrillas who demanded money killed military commissioner Rodolfo de Paz Reyes, and wounded a small girl and two women on 29 October. The guerrillas and their victims were aboard a bus. The rebels forced the passengers, driver, and assistant to listen to harangues against the elections. According to other reports, leftist rebels detonated a homemade bomb in the 1 July neighborhood and disseminated leaflets opposing the elections to be held Sunday.

HONDURAS

SANDINIST TROOPS REPORTEDLY KIDNAP PEASANT

PA011629 Panama City ACAN in Spanish 1555 GMT 1 Nov 85

[Text] Tegucigalpa, 1 Nov (ACAN-EFE) -- Official sources reported today that on 16 October, Sandinist Army troops who entered Honduran territory kidnapped Honduran peasant Santos Ruducindo Mendez. The peasant was kidnapped while he was moving along the banks of the Poteca River, in the municipality of Trojes, in the eastern Department of El Paraiso.

The Poteca River serves as a natural borderline between Honduras and Nicaragua. This borderline was legally acknowledged in 1960 when the two countries defined and demarcated their borders.

The kidnapping was reported to the office of the Honduran foreign secretary by Santos' brother, Jose Maria Mendez, who called for the intervention of the government in this case. A spokesman for the foreign affairs secretary confirmed to ACAN-EFE that "efforts are being made to secure the release of the peasant.

In the meantime, a protest is being drafted because of this new territorial violation by Nicaragua." The area of Trojes is one of the most conflict-ridden on the Honduran-Nicaraguan border, along which there have been more than 200 incidents since 1979.

EXISTENCE OF CONTRA CAMPS IN COUNTRY DENIED

PA052147 Panama City ACAN in Spanish 1903 GMT 3 Nov 85

[By Armando Cerrato]

[Text] Tegucigalpa, 3 Nov (ACAN-EFE) -- The commander of the Honduran Armed Forces, General Walter Lopez Reyes, today denied the existence of anti-Sandinist training camps in the country, or that the most important one is in Tegucigalpa.

"Although Honduras is in the midst of the most conflict-ridden area of America and is a neighbor of the country that generates the most serious conflicts and, in fact, suffers aggressions" -- the military leader said -- "our Army does not permit the installation of camps belonging to people who are hostile to Nicaragua."

Walter Lopez noted that the Honduran Army "constantly patrols the border area and has not found a single Nicaraguan counterrevolutionary camp in those places mentioned by the Managua Sandinist regime." According to the military officer, the information published last Thursday in the daily TIEMPO showing several photos of various camps in this country is "speculation." The daily located the main rebel camp in Ciudad Nueva, southwest of Tegucigalpa, in the middle of five Honduran military installations. The camp is known as "La Quinta" and is guarded by Honduran soldiers and armed men in civilian clothes.

"I am not surprised aobut the claims that there are anti-Sandinist counterrevolutionary camps in our country, much less the claim that the principal should be in the midst of our military installations, because we have been the target for the past several years of a national and international campaign to discredit us," Walter Lopez Reyes said. He announced that soon the Armed Forces will explain many things to the Honduran people to clarify all the charges made against them.

Walter Lopez explained that "we have never permitted the installation of contra camps in Honduras, and we shall not permit that in the near or remote future because we are respectful of international law." He also said that "our vocation is pacifist, and our government, our Army, and the people support the peace efforts of the Contadora Group."

"Contadora," made up by Mexico, Colombia, Panama, and Venezuela, has for the past 2 and 1/2 years sought a negotiated peace for the conflict-ridden region.

The Honduran Army last 17 October confiscated a "nonlethal" shipment which the United States had sent to the anti-Sandinist Nicaraguan Democratic Force (FDN) abroad a "DC-6" aircraft, without a flight plan or permit to enter Honduras. The Honduran Army returned the shipment of 14 tons of clothing, medicines, and jungle boots to the United States.

NICARAGUA

ORTEGA CONGRATULATES GUATEMALA'S VINICIO CEREZO

PA052117 Managua Radio Noticias in Spanish 1200 GMT 5 Nov 85

[Message sent by President Daniel Ortega to Guatemalan presidential candidate Vinicio Cerezo; date not given]

[Text] Mr Vinicio Cerezo, presidential candidate, Republic of Guatemala:

Upon learning of the victory of you and your Christian Democratic Party in the first round of the Guatemalan presidential elections, I wish to express, on behalf of the Nicaraguan people and government, our sincere congratulations.

In these moments of crisis in the region, I take advantage of this opportunity to reaffirm the close friendship ties that unite the brother peoples of Guatemala and Nicaragua as well as the serious responsibility that lays in the hands of Central American rulers to establish a just and stable peace in the region.

Attentively, [Signed] Daniel Ortega Saavedra

FRED IKLE CALLS FOR MORE U.S. AID TO CONTRAS

PA031444 Managua International Service in Spanish 0000 GMT 3 Nov 85

[Text] The United States will directly intervene in Nicaragua if the Sandinist People's Army continues to defeat the mercenary bands. This was stated in Washington by Fred Ikle, under secretary of defense for policy. The official admitted that the gangs of Somozist guardsmen financed by the United States have been dealt a strategic blow by the Nicaraguan people's Armed Forces. In a barefaced manner, Ikle said that the counterrevolutionaries must receive greater support from the U.S. Government in order to dislodge the FSLN from power.

FSLN REPRESENTATIVE CRITICIZES U.S. PROPOSALS

PA041452 Managua Radio Sandino in Spanish 1930 GMT 1 Nov 85

[Text] Dr [Danilo] Aguirre, an FSLN representative in the National Assembly, believes that the U.S. pretensions against Nicaragua made public by Mr Shlaudeman have two objectives. On one hand, they seek to fulfill a commitment the administration has with the U.S. Congress and on the other to make the Nicaraguan process illegitimate. Aguirre said that it is evident that the United States has had to fulfill the commitment to hold a meeting with the Nicaraguan ambassador in Washington, but in doing so it resorted to proposals that Nicaragua feels are onerous, interventionist, and offensive. Such a proposal was the call for the dissolution of the National Assembly. In this way, the U.S. Government fulfilled the commitment to hold a dialogue but it maintains the intransigent position of continuing its strategic policy of attacking the Nicaraguan revolution to overthrow the revolutionary government.

Dr Aguirre said that the request for the dissolution of the National Assembly as a precondition for a peace dialogue with the United States falls within the general framework of the Reagan administration's pretensions to make the Nicaraguan institution illegitimate.

In this way, it would be stated that the 4 November elections were illegal, and the United States would continue to demand that Nicaragua talks with the mercenary counter-revolutionaries. This was another proposal made by Shlaudeman.

Regarding the links between Shlaudeman's statements and the position of several political parties, Aguirre said that any action against the National Assembly is part of the U.S. pretensions. The Sandinist leader said that although he could not state that some attitudes correspond to specific orders, the position of the PLI [Independent Liberal Party] and other parties that joined with the Social Christian Party of the Sacasa Coordinating Board to sign a joint document, contributes to the U.S. Government's demands that are part of the overall U.S. policy.

OPPOSITION ALLIANCE TO 'OVERTHROW SANDINISM'

PA011529 Managua Radio Sandino in Spanish 1930 GMT 29 Oct 85

[Text] The Communist, Democratic Conservative, Socialist, and Independent Liberal Parties announced the establishment of an alliance with the Social Christian and Central American Unionist Party after having examined the decree by which civil liberties are partially suspended.

Eduardo Molina, coordinator of the Democratic Conservative party, said: All the parties that are represented here are allied in a high spirit of opposition to the FSLN. We must establish a strong opposition bloc to overthrow Sandinism in the same way we struggled to overthrow Somozism.

Erick Ramirez, president of the Social Christian Party, endorsed Molina's statement, saying: The FSLN is the major aggressor against the Nicaraguan people. He rejected the thesis that the U.S. Government, by directly supporting the contras, is the major aggressor against the Nicaraguan people and that it is responsible for the internal crisis.

[Begin Ramirez recording] Nicaragua's political parties cannot accept the state of emergency. Why? Because that would be like agreeing to wear a straightjacket. It would imply accepting Sandinism's claims on a situation that does not really exist in Nicaragua. I believe the document expresses this idea clearly enough.

On whether we have formed an alliance, I believe that, yes, political parties share a spirit of opposition. In addition to that spirit of opposition -- not only to the FSLN -- We share a spirit of vindication for the Nicaraguan people. Therefore, the opposition political parties will oppose the FSLN or any other political party that (?wants to establish) a regime in Nicaragua similar to that currently being imposed here.

It is possible that these documents are [words indistinct] that tomorrow at the National Assembly each of the political parties will take up its individual banners, and that the day after we will go our separate ways [words indistinct]. However, the Nicaraguan people's unity [words indistinct] will prevail. Just as yesterday when the Nicaraguan people rallied together to overthrow Somozism, today they can unite in a single spirit of opposition to overthrow Sandinism. And Sandinism is petrified by the implications the formation of a massive, civic opposition bloc in Nicaragua would entail. [end recording]

BISHOPS PROTEST RECRUITMENT OF SEMINARIANS

PA041631 San Jose LA NACION (NICARAGUA HOY Supplement) in Spanish 26 Oct 85 p 3 C

[Letter to President Daniel Ortega Saavedra from Msgr Bosco Vivas Robelo, secretary of the Episcopal Conference of Nicaragua, reproduced from the first issue of the newspaper IGLESIA, which was confiscated by the government; no date given]

[Text] His Excellency, President of the Republic, Commander Daniel Ortega Saavedra, Government House, Managua

The bishops of the Episcopal Conference of Nicaragua, meeting in their regular annual session, inform you of the following:

While a solution is still awaited on the problem of 11 junior seminarians recruited by the SMP [Patriotic Military Service] as was expressed to you in two previous letters, during the last few hours priests who have been carrying out their ecclesiastical duties at the Managua Archdiocese and the Granada Diocese, some of them for many years, were suddenly summoned by immigration officials, which makes us recall the situation we experienced with the expulsion of the last 10 priests in July, 1984.

The bishops consider these events to be a form of intimidation of the church that, instead of lessening tensions, increases them, and makes church-state talks more difficult.

The bishops, in consonance with their mission as ministers of reconciliation, once more state their wish to continue talks with the government, and their hope that these problems will be favorably solved.

Msgr Bosco Vivas Robelo, Secretary of the Episcopal Conference of Nicaragua.

DEFENSE MINISTRY CLAIMS 24 CONTRAS KILLED

PA052121 Managua Domestic Service in Spanish 0300 GMT 5 Nov 85

[Text] Troops of the Sandinist People's Army, EPS, ambushed a counterrevolutionary force in the San Donaldo sector, located 43 km from Bocay, eliminating 15 contras, the Defense Ministry reported tonight.

In addition to the 15 killed, a large number of contras were wounded yesterday, 3 November. Several FAL, G-3, M-14, and C-30 rifles were seized as well as an RPG-7 rocket launcher. The casualties resulted from a 3-minute clash, the Defense Ministry reported.

In addition, EPS troops clashed with mercenary forces 21 and 24 km southeast of Mulucucu, which resulted in six contras killed and numerous wounded among the Somozist forces.

The military report stated that the clashes lasted 4 hours, and that the Somozists belong to the so-called Jorge Salazar Command. The clash occurred yesterday morning, the Defense Ministry reported.

In addition, three more contras were killed by our EPS in the (Terusiano) sector, 15 km from San Pedro del Norte, during a clash with a mercenary group. Weapons and military supplies were seized after the clash, which was the last of three clashes reported yesterday, 3 November.

HAVANA REPORTS SOVIET DEFECTOR INCIDENT

FL051954 Havana Television Service in Spanish 1800 GMT 5 Nov 85

[Text] The Soviet Union has demanded that the U.S. Government apologize for kidnapping and inflicting tortures on Soviet diplomat Vitaly Yurchenko and asked the authors of the crime to be punished. The USSR diplomatic note handed to the U.S. State Department calls the actions carried out against Yurchenko unlawful and inhuman.

Yesterday at the Soviet Embassy in Washington, the Soviet diplomat held a press conference in which he denied U.S. press reports on his alleged defection to the United States. Yurchenko told journalists he was kidnapped in Rome and later taken to Washington, where he was kept drugged and was tortured for 3 months. The Soviet official explained that he was denied any contact with his country's embassy and was kept in a CIA safehouse from which he escaped last 2 November due to an oversight of his captors.

Yurchenko indicated that he was forced to drink strong potions and was offered large amounts of money as bribes. They also tried to make him believe that he was considered a traitor in the USSR, therefore, it was better for him to release all the information he had to U.S. authorities.

U.S. COMMITS 'NEW VIOLATION' OF CUBAN AIRSPACE

PA060309 Havana International Service in Spanish 0000 GMT 5 Nov 85

[Station commentary]

[Text] U.S. imperialism continues to make mistakes with the Cuban revolution, which has accumulated over 25 years of experience in a unique confrontation with an enemy that is geographically closer and much more powerful in terms of military resources. According to the Santa Fe plan, which contains the basic foreign policy principles of the Ronald Reagan government, hostility against Cuba must be a permanent task because, in the opinion of Washington, the first socialist state in the Western Hemisphere is a serious obstacle to their objectives in Latin America. Among other justifications for their persistently aggressive attitude, a number of lies are produced including that Cuba has become a communist penetration instrument in the most diverse Third World regions.

In a ridiculous attempt to frighten the Cuban people, in the past days and for the second time in the past 3 months Washington has sent an SR-71 spy plane to violate our airspace as it carried out illegal reconnaissance flights. During the most recent violation, which took place last Thursday, the pirate aircraft overflew Pinar Del Rio Province and moved eastward until it reached the vicinity of the Guantanamo Yankee naval base, which is a portion of Cuban territory illegally occupied by U.S. troops on the country's easternmost side. After overflying Haiti and the Dominican Republic, the same aircraft entered Cuban territory in the vicinity of Holguin Province and headed for U.S. territory via northeastern Havana.

We must stress that since Ronald Reagan took over the White House this is the sixth spy overflight of Cuba. The popular reaction to this new violation has shown the unity and support of the masses for the revolution. Over the past few days, hundreds of thousands of people spontaneously demonstrated in front the U.S. Interest Section in Havana to protest such an aggressive attitude. In improvised speeches, popular speakers voiced the indignation and combative spirit that characterizes our reply to any enemy provocation.

The presence of Cuban youths, who in every crucial moment have shown their unrestricted support for the Cuban combative traditions and their decision to defend the achievements of previous generations was the highlight of these demonstrations. This massive, strong reply must make the falcons nestled in the White House reflect before plotting new adventures against Cuba, a peice of land where those who try to occupy it will not find peace and calm. The SR-71 aircraft's sophisticated equipment might be able to gather information on our defensive capability, but we are sure that they will not be able to gauge the courage and resistance of a people willing to make the greatest of sacrifices to defend their ideas and revolutionary process.

COMMENTARY VIEWS 'ELECTORAL FARCE' IN GUATEMALA

PA060038 Havana International Service in Spanish 2310 GMT 4 Nov 85

[Commentary by Nestor Nunez; read by Angel Ferrera]

[Text] An electoral farce took place in Guatemala on Sunday. It was organized by the military high command in order to improve the public image of a power structure which, according to observers, will remain intact. Christian Democrat Vinicio Cerezo and centrist Jorge Carpio will participate in a second round on 8 December to choose a civilian president for Guatemala, as neither of the two candidates attained the required majority of votes cast. The number of votes that the other six candidates received was far less.

At any rate, regardless of who will be chosen president, no substantial changes in Guatemala are foreseen. Persistent rumors indicate that a civilian government will not be able to function freely without relying on the military, which has held power illegally for decades. The military, in addition, has grown totally fond of this power. It is worthwhile to mention that every high-ranking officer who becomes head of state ends his term having turned into a real magnate, and his closest collaborators also profit from this thievery. This concealed power behind the masquerade of a civilian government will not permit measures against represssive organizations which have murdered more than 100,000 people and made about 40,000 disappear during the past 30 years.

The oligarchic nature of the two aspirants, who will run for a second round, undifferentiated from the other candidates already eliminated, offers no hopes that Guatemala's most serious economic and social problems will be solved, either. Inflation has reached 100 percent and unemployment affects half of the economically active population in this Central American nation. Hence, the alleged elections, far from weakening popular sectors, confirm the revolutionary assertion that the true solution to the country's evils lies in putting an end -- via armed struggle -- to the fascist military clique and its civilian puppets.

U.S. DEMAND FOR NICARAGUAN TALKS TERMED 'INSOLENT'

PA0522343 Havana International Service in Spanish 2310 GMT 4 Nov 85

["Our America" commentary]

[Text] Twelve months after the Nicaraguan people expressed their support for the FSLN and elected deputies to the National Assembly in pluralistic and democratic elections, Washington has demanded the dissolution of this legislative organ as a prerequisite for a discussion of differences with Nicaraguan authorities. During a meeting between Carlos Tunnerman, Nicaraguan ambassador to the United States, and Harry Shlaudeman, special representative of the Yankee government for Central America, in Washington on 29 October, the White House presented this insolent demand as a prerequisite for resuming the bilateral Manzanillo talks, which were unilaterally interrupted by Ronald Reagan.

Such a demand not only constitutes an open and shameless intervention in Nicaragua's domestic policy, but an effort to take apart the institutional process initiated by the revolution and pave the way for the destablizing action of counterrevolutionary organizations, both those that attack the country militarily from their bases in Honduras and Costa Rica and those that operate under an alleged legal cover.

Of course, Nicaragua's rejection of these U.S. objectives has been immediate vigorous, as fits a country that sees its dignity harmed. In a message to the Contadora Group, Nicaraguan Foreign Minister Miguel D'Escoto stated that such a stance by Washington is unreasonable, cannot be accepted, and only succeeds in shutting the door on the possibility of effective peace in Central America. At other times, Washington has tried to have the Sandinist revolution agree to a dialogue with the counterrevolutionary leaders who, serving the United States, attack Nicaragua from the north and south. To top it off, Reagan has ordered the extension -- for an indefinite time -- of the commercial embargo established against Nicaragua in May and that reached its deadline on 30 October. In addition, Lewis Tambs, Yankee ambassador to Costa Rica, has shamelessly stated in San Jose that if Nicaragua does not abide by the U.S. demands, a direct military attack against this Central American nation will become a real possibility. Tambs took up Washington's demands regarding a dialogue with counterrevolutionaries and an alleged return to democracy that -- he said -- has been hampered by the Sandinist revolution.

Undoubtedly, the United States wants to make people forget that 12 months ago more than 1,300,000 Nicaraguans of voting age cast their ballots in order to determine the government they wanted for themselves. In these elections, nearly 70 percent expressed support for the FSLN. Washington wants to conceal the fact that for the first time in Nicaragua's history the national political parties -- without exception -- were able to campaign without any compromises or repression, and that as hundreds of foreign observers in Managua admitted, the revolution won the masses' majority support through fair means. This support is what allows the Sandinist revolution to successfully confront Washington's onslaughts because a whole people are determined to make any sacrifice rather than return to the past.

CHILE 'VIOLATION OF HUMAN RIGHTS' CONDEMNED

PA060031 Havana International Service in Spanish 2310 GMT 1 Nov 85

["Our America" commentary]

[Text] The recent incidents in Chile prove that the disguise of an angel cannot cover up the crimes of the fascist dictatorship installed in 1973 following the bloody overthrow of the Popular Unity Government. The most recent reports mention the beating that the Chilean militarized police gave to hundreds of women on Tuesday. The women were parricipating in a march for life, peace, and justice in La Providencia neighborhood in Santiago. In the past, the repressive actions have reached other sectors of the population. The recent murders of several people, previously arrested by the authorities, have also been reported. The regime is holding six union leaders in prison, including Rodolfo Seguel, Manuel Bustos, and Jose Di Giorgio. The prisoners have declared themselves on an indefinite hunger strike.

The the undeniable increase in the level of struggle of the people of Chile, Pinochet, in his useless attempt to stay in power ss long as possible, responds with brute force. Such actions clearly demonstrate the policy of systematic violation of human rights practiced by Washington and its allies, especially Ronald Reagan's government.

Anyone who is aware of what occurred prior to the fascist military coup d'etat in 1973, which can be summarized in U.S. financial and military support for the ultra-conservative sectors of the Army, sabotage of the economy, and all types of support for the oligarchy's shock groups, cannot overlook the real undertone of the U.S. attitude toward the Pinochet dictatorship. This position was reaffirmed with Lieutenant General Robert L. Schweitzer's, president of the Inter-American Defense Board, visit to Chile in October. Schweitzer impudently proclaimed Augusto Pinochet an outstanding person in the struggle against communism whose efforts are aimed at reinstating democracy in Bernardo O'Higgins homeland.

This week Luis Corvalan, secretary general of the Communist Party of Chile, said that Pinochet has only survived the constant demonstrations against the dictatorship because of the huge support he is receiving from Washington. This support has not stopped, despite the many international condemnations against the fascist regime. The alleged work that the White House is defending in Chile represents an insult for the U.S. people. In the past 12 years, more than 30,000 have been killed in Chile; the foreign debt grew from $4 billion to approximately $25 billion; and the denationalization of the economy, followed by unemployment and misery, is something that cannot be denied.

Chile is currently experiencing a complete structural crisis, and this has made the sectors that supported the de facto government in the past strongly condemn it today. However, the unity and the actions of the people, in all of their expression, will be the decisive factor in ending the terrorist government produced by the so-called great neighbor of the north.

NATIONAL BANK OF CUBA PRESIDENT APPOINTED

FL061343 Havana Television Service in Spanish 1200 GMT 6 Nov 85

[Text] The Republic of Cuba's Council of State has made the following appointments: first, Hector Rodriguez Llompart has been appointed as president of the National Bank of Cuba; second, Comrade Ernesto Melendez Bachs has been appointed as president of the State Committee for Economic Cooperation [CECE]. Formerly, he was the CECE's first vice president.

USSR AMBASSADOR DECORATES GROBART WITH MEDAL

FL020226 Havana Domestic Service in Spanish 0000 GMT 2 Nov 85

[Text] The CPSU Central Committee and USSR Presidium of the Supreme Soviet has conferred the People's Friendship Order to Fabio Grobart, Central Committee member and chairman of Cuba's History of Communist Movement and Socialist Revolution Institute. The medal was bestowed on Fabio Grobart by Soviet Ambassador in Cuba and CPSU Central Committee Member, Konstantin Katushev. Politburo member Blas Roca and Carlos Rafael Rodriguez attended the formal ceremony. Alternate Politburo member Jesus Montane, National Assembly of the People's Government Chairman Flavio Bravo, and other party and state leaders were also present.

The Soviet ambassador indicated that Fabio Grobart's life is closely related to important moments in the history of the Marxist-Leninist party of the Cuban working class and to the building of socialism in the first free territory in America. Fabio Grobart said he could not consider the high decoration as a personal acknowledgement but one for all communists of yesterday and today.

BERMUDA

PROGRESSIVE LABOR PARTY ELECTS NEW LEADER

FL041535 Bridgetown CANA in English 1821 GMT 2 Nov 85

[Text] Hamilton, Bermuda, Nov 2, CANA -- Lawyer Frederick Wade has been chosen as the new leader of Bermuda's opposition Progressive Labour Party. Wade, a founder-member of the party and former shadow minister of education in the British colony's Westminster-style Parliament, was elected late last night. He succeeds Lois Brown Evans, who resigned yesterday after the party suffered its worst ever general election defeat on Tuesday, when it lost half its seats as Premier John Swan romped to a re-election victory. Browne Evans had led the party for two periods totalling 13 years. She will retain her seat as a member of parliament.

The Progressive Labour Party had been weakened by a split which led to the forming of a new centrist party, the National Liberals, this year.

HAITI

DUVALIER RESHUFFLES CABINET, OUSTS EIGHT

NC060715 Paris AFP in English 0712 GMT 6 Nov 85

[Text] Port au Prince, Nov 6 (AFP) -- Haitian President Jean-Claude Duvalier last night dramatically reshuffled his cabinet, ousting eight ministers including the powerful interior and defence minister, and creating two new superministries. The outgoing interior and defence minister, Francois Guillaume, a former diplmat, was only brought into the cabinet two months ago replacing strongman Roger Lafontant.

Other ministers who were dismissed by the president-for-life were Yves Blanchard (planning), Jean-Michel Ligonde (trade), Emmanuel Fils-Aime (national education), Serge Conille (youth and sports), Herve Denis (social affairs), Maxime Leon (public works) and Claude Mompoint (mines and energy). Their portfolios were shared among the superministries which now number five.

The three ministers of state in charge of "superministries" who retained their posts were Jean-Marie Chanoine (presidency, information and public relations) -- who also took over interior and defence -- Frantz Merceron (economy, finance, planning, trade and industry) and Theodore Achille (justice, education, youth and sports). The three had been promoted to the position of state minister in 1983 by Mr Duvalier and had recently become known as the most influential cabinet members, after the dismissal of Mr Lafontant on September 10.

The two new state ministers with enlarged portfolios were Jean-Robert Estime (foreign and religious affairs, and social affairs) and Alix Cineas (public works, transport and communications, mines and energy). Mr Estime had been foreign minister in the outgoing government, while Mr Cineas was brought back into the cabinet after a 17-month absence.